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# BANK LOANS TO FARMERS ON PERSONAL AND COLLATERAL SECURITY.

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A very large part of the world's business is conducted on a credit basis. In proportion to the magnitude of the industry, it is perhaps safe to say that a smaller amount of credit is used by farmers than by any other important class. The outstanding loans to farmers in the United States, nevertheless, amount to a significant part of the credit of the country. The present farm mortgage credit from such data as are available has been estimated at a sum exceeding 8 billions of dollars. The information available on personal and collateral credit to farmers is even less satisfactory than that concerning farm mortgage credit. No attempt will be made at this time to present an estimate of the total amount of such credit.

By far the most important single source of personal and collateral credit to farmers, as well as to most other industries, is found in the commercial banks of the country. With a view to obtaining more comprehensive information concerning this source of rural credit, the Department of Agriculture recently sent to all banks in the United States a questionnaire on loans to farmers. The results of this inquiry, so far as it relates to short-time or personal and collateral credit, is summarized on the succeeding pages.

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## AMOUNT OF PERSONAL AND COLLATERAL BANK LOANS TO FARMERS.

The reported amount of bank loans to farmers on personal and collateral security, as well as the estimated total amount of such loans outstanding for all banks on December 31, 1920, will be found in Table 1. Figures are given for States and geographic divisions, as well as for the United States as a whole. The table also shows the extent to which the banks of the country replied to the questionnaire, and the percentage that the estimated short-time loans to farmers constitute of the total loans and discounts of the banks as given in the latest available report of the Comptroller of the Currency.

TABLE 1.—*Personal and collateral bank loans to farmers outstanding Dec. 31, 1920, by States.*

| Geographic division and State. | Total number of banks (Comptroller's report). | Number of banks reporting. | Number reporting farm loans. | Amount reported. | Estimated amount for all banks. | Per cent of banks' total loans and discounts. |
|---|---|---|---|---|---|---|
| United States | 30,178 | 13,540 | 10,261 | $1,586,536,310 | $3,869,891,415 | 13.29 |
| New England | 1,129 | 661 | 296 | 11,893,052 | 26,941,166 | .92 |
| Maine | 161 | 82 | 50 | 2,862,905 | 6,515,518 | 4.69 |
| New Hampshire | 126 | 51 | 36 | 956,827 | 1,949,027 | 1.96 |
| Vermont | 108 | 41 | 34 | 3,944,688 | 12,493,623 | 9.89 |
| Massachusetts | 466 | 335 | 109 | 2,526,033 | 3,270,017 | .17 |
| Rhode Island | 48 | 33 | 8 | 91,471 | 188,089 | .10 |
| Connecticut | 220 | 119 | 59 | 1,511,128 | 2,524,892 | .63 |
| Middle Atlantic | 3,009 | 1,709 | 787 | 71,724,400 | 106,806,377 | 1.10 |
| New York | 1,063 | 620 | 319 | 36,603,418 | 52,002,471 | .75 |
| New Jersey | 393 | 251 | 76 | 6,463,992 | 16,369,101 | 2.87 |
| Pennsylvania | 1,553 | 838 | 392 | 28,656,990 | 38,434,805 | 1.75 |
| East North Central | 5,507 | 2,645 | 2,103 | 300,259,595 | 656,326,611 | 12.38 |
| Ohio | 1,153 | 544 | 414 | 48,993,665 | 106,983,846 | 7.48 |
| Indiana | 1,056 | 509 | 434 | 64,402,727 | 127,910,904 | 23.19 |
| Illinois | 1,617 | 798 | 592 | 97,904,600 | 253,967,783 | 11.93 |
| Michigan | 704 | 345 | 266 | 37,355,710 | 50,630,088 | 8.03 |
| Wisconsin | 977 | 449 | 397 | 51,602,893 | 116,833,990 | 20.83 |
| West North Central | 9,086 | 3,726 | 3,236 | 594,737,791 | 1,562,987,613 | 40.77 |
| Minnesota | 1,524 | 660 | 564 | 100,155,871 | 235,078,342 | 30.87 |
| Iowa | 1,762 | 699 | 591 | 152,301,415 | 400,816,955 | 44.68 |
| Missouri | 1,649 | 598 | 493 | 65,199,671 | 211,059,938 | 22.32 |
| North Dakota | 897 | 395 | 361 | 49,879,816 | 118,920,813 | 62.58 |
| South Dakota | 694 | 303 | 261 | 55,881,624 | 154,311,092 | 67.98 |
| Nebraska | 1,195 | 475 | 423 | 81,778,750 | 204,389,176 | 49.21 |
| Kansas | 1,365 | 596 | 543 | 89,540,644 | 238,411,297 | 60.07 |
| South Atlantic | 3,294 | 1,312 | 953 | 117,186,072 | 313,184,956 | 14.34 |
| Delaware | 46 | 23 | 18 | 1,773,485 | 3,438,537 | 7.89 |
| Maryland | 282 | 123 | 71 | 9,494,333 | 17,913,727 | 5.45 |
| District of Columbia | 45 | 21 | 2 | 57,000 | 537,820 | .46 |
| Virginia | 490 | 179 | 128 | 18,115,857 | 52,701,208 | 13.36 |
| West Virginia | 341 | 128 | 70 | 5,127,875 | 15,663,408 | 6.44 |
| North Carolina | 623 | 172 | 124 | 10,528,270 | 61,026,032 | 19.24 |
| South Carolina | 461 | 233 | 192 | 29,099,462 | 67,413,772 | 28.93 |
| Georgia | 739 | 350 | 291 | 38,701,550 | 83,986,661 | 22.45 |
| Florida | 267 | 83 | 57 | 4,288,240 | 10,503,791 | 7.83 |
| East South Central | 1,840 | 881 | 714 | 74,646,549 | 185,981,673 | 19.93 |
| Kentucky | 583 | 188 | 148 | 20,855,446 | 61,201,963 | 20.70 |
| Tennessee | 546 | 320 | 251 | 20,823,722 | 45,725,307 | 15.57 |
| Alabama | 356 | 191 | 163 | 18,859,715 | 40,424,370 | 22.46 |
| Mississippi | 355 | 182 | 152 | 14,107,666 | 38,630,033 | 23.58 |

TABLE 1.—*Personal and collateral bank loans to farmers outstanding Dec. 31, 1920, by States*—Continued.

| Geographic division and State. | Total number of banks (Comptroller's report). | Number of banks reporting. | Number reporting farm loans. | Amount reported. | Estimated amount for all banks. | Per cent of banks' total loans and discounts. |
|---|---|---|---|---|---|---|
| West South Central | 3,305 | 1,072 | 946 | $144,749,773 | $541,988,607 | 34.07 |
| Arkansas | 489 | 150 | 143 | 17,083,156 | 72,134,936 | 39.84 |
| Louisiana | 268 | 79 | 61 | 12,340,116 | 69,753,012 | 21.37 |
| Oklahoma | 966 | 347 | 320 | 47,450,757 | 147,924,291 | 43.86 |
| Texas | 1,582 | 496 | 422 | 67,875,744 | 252,176,368 | 33.79 |
| Mountain | 1,601 | 745 | 627 | 121,514,552 | 268,160,368 | 35.61 |
| Montana | 431 | 194 | 178 | 30,217,135 | 73,618,242 | 47.72 |
| Idaho | 227 | 106 | 94 | 20,005,947 | 44,513,900 | 47.62 |
| Wyoming | 160 | 72 | 64 | 11,963,364 | 26,390,048 | 41.29 |
| Colorado | 404 | 192 | 163 | 30,452,646 | 66,317,753 | 31.34 |
| New Mexico | 124 | 55 | 37 | 6,692,874 | 16,052,302 | 34.89 |
| Arizona | 88 | 55 | 32 | 11,419,992 | 20,032,210 | 33.51 |
| Utah | 133 | 54 | 48 | 7,396,882 | 14,727,010 | 14.84 |
| Nevada | 34 | 17 | 11 | 3,365,712 | 6,508,903 | 26.19 |
| Pacific | 1,407 | 789 | 599 | 149,824,526 | 207,514,044 | 11.16 |
| Washington | 401 | 201 | 149 | 28,756,973 | 48,427,865 | 17.41 |
| Oregon | 278 | 149 | 126 | 29,285,554 | 39,904,738 | 20.38 |
| California | 728 | 439 | 324 | 91,781,999 | 119,181,441 | 8.60 |

## THE ESTIMATED AMOUNT OF PERSONAL AND COLLATERAL LOANS TO FARMERS.

It may be observed from Table 1 that 45 per cent of the banks in the United States complied with the request for information. Owing to lack of classified data concerning total loans and discounts, it was not found possible to make separate estimates for city and country banks. It should be stated in this connection, however, that examination showed that the percentage of replies from banks located in larger cities was almost uniformly higher than from the country banks of the same States. With this fact in mind, it is interesting to note the percentage of banks which reported farm business. For the United States as a whole, 76 per cent of the banks reporting had some farm business. In the West South Central States, the corresponding figure was 88 per cent, and the lowest reported for any geographic division was 45 per cent for the New England States. By States, the five highest percentages were as follows: Arkansas, 95 per cent; Oklahoma and Montana, 92 per cent each, and Kansas and North Dakota, 91 per cent each.

The amount of farmers' personal and collateral loans actually reported is in itself significant. Its chief value, however, is that it constitutes a basis for estimating the total amount of such loans outstanding with banks. In estimating this total, the reports from national banks and banks other than national were considered separately. It was assumed in the case of each class that the ratio of farmers' personal and collateral loans to total loans and discounts

obtained for the banks reporting was also applicable to the loans and discounts of the banks which did not report. In view of the fact that city banks, as explained above, were represented in the reports rather more largely than country banks, it would seem that the estimates arrived at on this basis should be conservative rather than the reverse.

The prominence of agriculture in the West North Central States is apparent from the figures in the column showing the estimated total personal and collateral loans outstanding to farmers. The seven States in this division have about 40 per cent of the total of such loans in the United States, and Iowa alone has over 10 per cent.

Turning to the percentage which personal and collateral loans to farmers constitute of total loans and discounts of banks in the various States, the highest figures again are found for the West North Central States. The three States showing highest percentages of such loans to farmers are South Dakota, North Dakota, and Kansas, where the figures are 67.98 per cent, 62.58 per cent, and 60.07 per cent, respectively.

It has been estimated that the banks of the United States on December 31, 1920, held approximately $1,447,500,000 of farm mortgage loans.[1] Combining this figure with the estimated amount of personal and collateral loans as shown in the table, namely, $3,869,-891,415, it appears that last December the banks of the United States had total loans to farmers approximating $5,317,400,000. This amount represented 18.3 per cent of the total loans and discounts of all banks. A similar combination of the percentages for the estimated totals of the two classes of loans indicates that the total bank accommodation to farmers constituted 78 per cent of the total loans and discounts of all banks in South Dakota; 77 per cent in North Dakota; 69 per cent in Kansas; and 68 per cent in Iowa.

## SEASONAL FLUCTUATION IN PERSONAL AND COLLATERAL LOANS TO FARMERS.

It is generally known that in agricultural sections banks experience a gradually increasing demand for credit, which commences with the planting of crops and reaches a peak immediately prior to the time when crops are ready for market. Figure 1 indicates for the United States and for each of its geographic divisions the fluctuations which occurred during 1920 in the amount of farmers' personal and collateral loans outstanding with reporting banks. For the United States as a whole, there was a gradual increase for each month from January to October, when loans began to decline. It is apparent, however, that this decline was very slight, and that the contraction

[1] Department Bulletin No. 1047, entitled, "Farm Mortgage Loans by Banks, Insurance Companies and Other Agencies."

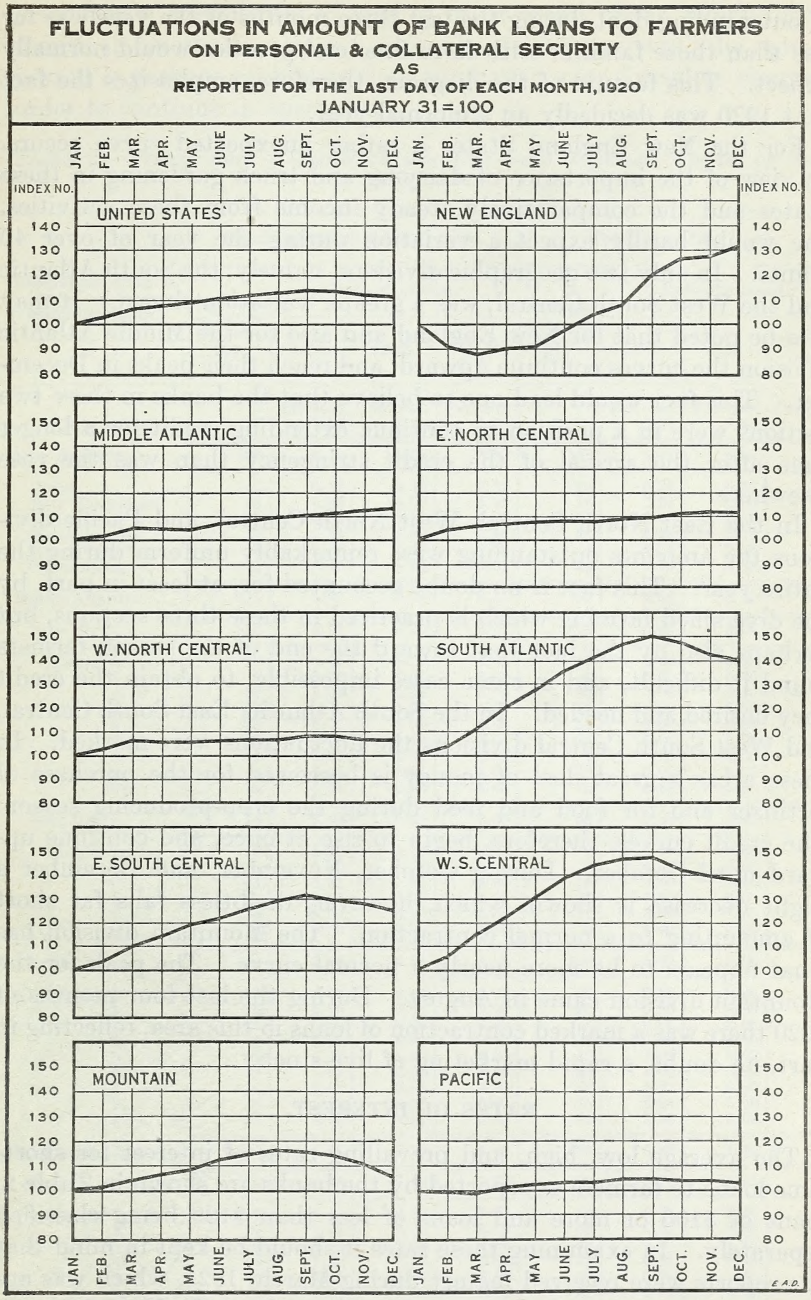


FIG. 1.—Fluctuations in loans. Data based on reports from following number of banks: United States, 1930; New England, 19; Middle Atlantic, 128; East North Central, 339; West North Central, 840; South Atlantic, 128; East South Central, 91; West South Central, 198; Mountain, 121; Pacific, 100.

of outstanding debt during the last three months of the year was far less than those familiar with farm financial practice would normally expect. This feature of the diagram, therefore, emphasizes the fact that 1920 was decidedly an abnormal year.

For the New England States a rather unexpected curve occurs. In view of the importance of dairying and truck gardening in these States and the comparatively steady income from these activities, one would hardly expect a variation during the year of over 40 points. In only two geographic divisions, namely, the South Atlantic and the West South Central, was a greater variation shown. It may also be noted that for New England and also for the Middle Atlantic division the curves continue upward, and reach their peaks in December. This fact would lead one to believe that the banks in these two sections were in a position to continue extending credit for a longer time after the arrival of the credit stringency than was the case elsewhere.

In the East North Central, West North Central, and Pacific divisions the amounts outstanding were remarkably uniform during the entire year. This fact is no doubt accounted for, at least in part, by the diversified farming which is practiced in these three sections, but perhaps also by the fact that toward the end of the season farmers found it difficult, and in some cases impossible, to obtain the credit they desired and needed. In the South Atlantic, East South Central, and West South Central divisions the fluctuations were marked. In these areas a great deal of money is borrowed for the purchase of fertilizer and for food and feed during the crop-producing season. The credit curves, therefore, begin to rise at once, and continue upward until October. During October, November, and December a slight decrease is shown, which, however, doubtless falls far short of amounting to a normal contraction. The Mountain division has what appears to be more nearly a normal curve. The peak for the Mountain division came in August. During the last four months of 1920 there was a marked contraction of loans in this area, reflecting in part, no doubt, a rapid marketing of live stock.

## RATES OF INTEREST.

The average low, high, and prevailing rates of interest for short-time loans to farmers as reported by the banks are shown in Table 2, loans of $100 or more and loans of less than $100 being classified separately. In examining these rates it should be kept in mind that the reports were received mainly during March, 1921, which was approximately the peak for interest rates throughout the United States. An average prevailing rate of 7.96 per cent on short-time loans of $100 or more is indeed high. However, as compared with the rates of

discount on agricultural as well as other credit paper, which for the month in question averaged approximately 7 per cent, the rate reported is perhaps no higher than the banks were forced to charge in order to continue in operation.

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921.*

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| United States | 9,157 | 7.59 | 8.23 | 7.96 | 7,880 | 7.91 | 8.48 | 8.21 |
| New England | 226 | 6.19 | 6.57 | 6.43 | 153 | 6.31 | 6.59 | 6.49 |
| Maine | 42 | 6.12 | 6.40 | 6.31 | 29 | 6.34 | 6.62 | 6.50 |
| New Hampshire | 28 | 5.89 | 6.00 | 5.98 | 18 | 5.94 | 6.00 | 6.00 |
| Vermont | 31 | 6.00 | 6.10 | 6.03 | 27 | 6.04 | 6.15 | 6.07 |
| Massachusetts | 77 | 6.43 | 7.09 | 6.86 | 46 | 6.66 | 7.14 | 6.97 |
| Rhode Island | 5 | 6.50 | 7.10 | 7.00 | 4 | 6.75 | 7.25 | 7.25 |
| Connecticut | 43 | 6.13 | 6.44 | 6.31 | 29 | 6.16 | 6.38 | 6.31 |
| Middle Atlantic | 675 | 5.97 | 6.03 | 6.01 | 560 | 5.98 | 6.03 | 6.00 |
| New York | 259 | 5.98 | 6.05 | 6.01 | 212 | 5.99 | 6.06 | 6.01 |
| District 2 | 17 | 6.00 | 6.00 | 6.00 | 15 | 6.00 | 6.00 | 6.00 |
| 3 | 6 | 6.00 | 6.00 | 6.00 | 4 | 6.00 | 6.00 | 6.00 |
| 4 | 50 | 5.98 | 6.12 | 6.02 | 43 | 6.01 | 6.10 | 6.03 |
| 5 | 51 | 5.99 | 6.00 | 6.00 | 43 | 6.00 | 6.00 | 6.00 |
| 6 | 28 | 6.00 | 6.00 | 6.00 | 24 | 6.00 | 6.04 | 6.00 |
| 7 | 26 | 6.00 | 6.19 | 6.06 | 24 | 6.00 | 6.29 | 6.02 |
| 8 | 11 | 6.00 | 6.00 | 6.00 | 9 | 6.00 | 6.00 | 6.00 |
| 9 | 48 | 5.98 | 6.04 | 6.02 | 35 | 6.00 | 6.00 | 6.00 |
| 9a | 22 | 5.91 | 6.00 | 6.00 | 15 | 5.87 | 6.00 | 6.00 |
| New Jersey | 74 | 5.94 | 6.04 | 6.00 | 58 | 5.98 | 6.03 | 6.00 |
| District 1 | 10 | 5.80 | 6.10 | 6.00 | 9 | 6.00 | 6.00 | 6.00 |
| 2 | 4 | 6.00 | 6.00 | 6.00 | 2 | 6.00 | 6.00 | 6.00 |
| 3 | 13 | 5.81 | 6.15 | 6.00 | 10 | 5.90 | 6.20 | 6.00 |
| 5 | 27 | 6.00 | 6.00 | 6.00 | 22 | 6.00 | 6.00 | 6.00 |
| 7 | 14 | 6.00 | 6.00 | 6.00 | 11 | 6.00 | 6.00 | 6.00 |
| 9 | 6 | 6.00 | 6.00 | 6.00 | 4 | 6.00 | 6.00 | 6.00 |
| Pennsylvania | 342 | 5.96 | 6.01 | 6.01 | 290 | 5.97 | 6.00 | 6.00 |
| District 1 | 23 | 6.00 | 6.04 | 6.02 | 20 | 6.00 | 6.00 | 6.00 |
| 2 | 26 | 6.00 | 6.00 | 6.00 | 26 | 6.00 | 6.00 | 6.00 |
| 3 | 21 | 6.00 | 6.00 | 6.00 | 18 | 6.00 | 6.00 | 6.00 |
| 4 | 34 | 6.00 | 6.00 | 6.00 | 27 | 6.00 | 6.00 | 6.00 |
| 5 | 56 | 5.95 | 6.00 | 6.00 | 47 | 5.98 | 6.02 | 6.00 |
| 6 | 28 | 5.93 | 6.00 | 6.00 | 25 | 6.00 | 6.00 | 6.00 |
| 7 | 46 | 5.93 | 6.00 | 6.00 | 38 | 5.92 | 6.00 | 6.00 |
| 8 | 38 | 5.89 | 6.00 | 6.00 | 35 | 5.94 | 6.00 | 6.00 |
| 9 | 70 | 5.96 | 6.04 | 6.04 | 54 | 5.96 | 6.00 | 5.99 |
| East North Central | 1,890 | 6.58 | 7.23 | 6.96 | 1,666 | 6.88 | 7.40 | 7.17 |
| Ohio | 370 | 6.48 | 7.09 | 6.79 | 329 | 6.75 | 7.25 | 7.00 |
| District 1 | 66 | 6.54 | 7.39 | 7.00 | 59 | 6.98 | 7.56 | 7.36 |
| 2 | 37 | 6.41 | 6.65 | 6.59 | 35 | 6.57 | 6.80 | 6.69 |
| 3 | 59 | 6.46 | 7.03 | 6.81 | 49 | 6.67 | 7.20 | 6.93 |
| 4 | 38 | 6.66 | 7.32 | 6.92 | 32 | 6.81 | 7.47 | 6.98 |
| 5 | 50 | 6.56 | 7.34 | 6.85 | 49 | 6.92 | 7.43 | 7.15 |
| 6 | 35 | 6.29 | 6.60 | 6.43 | 29 | 6.34 | 6.69 | 6.45 |
| 7 | 39 | 6.47 | 6.91 | 6.68 | 34 | 6.59 | 7.18 | 6.86 |
| 8 | 17 | 6.53 | 7.41 | 7.03 | 18 | 7.00 | 7.61 | 7.50 |
| 9 | 29 | 6.28 | 7.03 | 6.66 | 24 | 6.71 | 7.12 | 6.94 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| East North Central—Continued. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| Indiana | 384 | 6.82 | 7.64 | 7.27 | 335 | 7.26 | 7.79 | 7.55 |
| District 1 | 34 | 6.91 | 7.56 | 7.32 | 26 | 7.04 | 7.46 | 7.23 |
| 2 | 50 | 6.98 | 7.76 | 7.46 | 46 | 7.41 | 7.91 | 7.70 |
| 3 | 44 | 7.00 | 7.68 | 7.41 | 39 | 7.49 | 7.87 | 7.73 |
| 4 | 46 | 6.86 | 7.84 | 7.38 | 46 | 7.30 | 7.85 | 7.54 |
| 5 | 85 | 6.87 | 7.78 | 7.40 | 73 | 7.20 | 7.88 | 7.61 |
| 6 | 27 | 6.83 | 7.37 | 7.11 | 26 | 7.12 | 7.58 | 7.33 |
| 7 | 51 | 6.63 | 7.65 | 7.16 | 40 | 7.52 | 7.90 | 7.75 |
| 8 | 26 | 6.50 | 7.35 | 6.85 | 20 | 6.95 | 7.60 | 7.22 |
| 9 | 21 | 6.38 | 7.14 | 6.71 | 19 | 6.84 | 7.47 | 7.21 |
| Illinois | 519 | 6.56 | 6.98 | 6.83 | 428 | 6.67 | 7.07 | 6.95 |
| District 1 | 71 | 6.46 | 6.98 | 6.80 | 60 | 6.52 | 6.99 | 6.85 |
| 3 | 74 | 6.50 | 7.00 | 6.72 | 69 | 6.43 | 6.87 | 6.72 |
| 4 | 58 | 6.57 | 6.88 | 6.82 | 56 | 6.64 | 6.91 | 6.88 |
| 4 a | 73 | 6.44 | 6.91 | 6.80 | 62 | 6.55 | 6.92 | 6.81 |
| 5 | 57 | 6.61 | 6.95 | 6.84 | 45 | 6.73 | 6.96 | 6.88 |
| 6 | 61 | 6.70 | 6.98 | 6.96 | 46 | 6.79 | 7.02 | 6.95 |
| 6 a | 63 | 6.71 | 7.02 | 6.94 | 45 | 6.80 | 7.17 | 7.09 |
| 7 | 42 | 6.37 | 6.98 | 6.67 | 34 | 7.00 | 7.35 | 7.09 |
| 9 | 20 | 6.90 | 7.40 | 7.10 | 11 | 7.55 | 10.00 | 9.27 |
| Michigan | 244 | 6.76 | 7.17 | 6.97 | 221 | 7.00 | 7.60 | 7.28 |
| District 1 | 21 | 6.91 | 7.95 | 7.31 | 18 | 7.39 | 9.61 | 8.22 |
| 2 | 21 | 6.71 | 7.00 | 6.90 | 18 | 6.89 | 7.06 | 7.06 |
| 3 | 6 | 7.00 | 7.00 | 7.00 | 7 | 8.29 | 9.00 | 8.64 |
| 4 | 6 | 6.83 | 7.17 | 6.83 | 6 | 6.83 | 7.17 | 7.00 |
| 5 | 23 | 7.00 | 7.17 | 7.11 | 18 | 7.00 | 8.22 | 7.53 |
| 6 | 27 | 6.96 | 7.78 | 7.37 | 26 | 7.44 | 8.15 | 7.94 |
| 7 | 40 | 6.71 | 6.99 | 6.85 | 37 | 6.84 | 7.08 | 6.93 |
| 8 | 47 | 6.57 | 6.94 | 6.80 | 44 | 6.66 | 6.98 | 6.89 |
| 9 | 53 | 6.70 | 6.98 | 6.85 | 47 | 6.94 | 7.11 | 7.01 |
| Wisconsin | 373 | 6.64 | 7.31 | 7.02 | 353 | 6.81 | 7.45 | 7.18 |
| District 1 | 68 | 7.22 | 8.03 | 7.69 | 65 | 7.38 | 8.18 | 7.85 |
| 2 | 33 | 6.97 | 7.58 | 7.42 | 33 | 7.36 | 8.06 | 7.71 |
| 3 | 19 | 6.89 | 7.79 | 7.29 | 19 | 7.21 | 8.00 | 7.55 |
| 4 | 37 | 6.68 | 7.50 | 7.03 | 38 | 6.95 | 7.55 | 7.25 |
| 5 | 30 | 6.45 | 7.22 | 6.80 | 28 | 6.57 | 7.43 | 7.02 |
| 6 | 80 | 6.38 | 6.84 | 6.67 | 70 | 6.42 | 6.89 | 6.73 |
| 7 | 28 | 6.50 | 7.25 | 6.96 | 26 | 6.62 | 7.31 | 7.13 |
| 8 | 41 | 6.38 | 6.93 | 6.76 | 37 | 6.49 | 7.00 | 6.85 |
| 9 | 37 | 6.20 | 6.85 | 6.57 | 37 | 6.31 | 6.91 | 6.63 |
| West North Central | 3,044 | 8.04 | 8.82 | 8.50 | 2,660 | 8.33 | 8.96 | 8.71 |
| Minnesota | 541 | 7.89 | 8.84 | 8.41 | 503 | 8.29 | 9.00 | 8.62 |
| District 1 | 87 | 8.78 | 9.82 | 9.44 | 80 | 8.96 | 9.92 | 9.57 |
| 2 | 28 | 8.82 | 9.79 | 9.32 | 28 | 9.25 | 9.93 | 9.55 |
| 3 | 12 | 7.75 | 8.75 | 8.21 | 11 | 8.09 | 8.82 | 8.64 |
| 4 | 65 | 8.05 | 9.14 | 8.57 | 59 | 8.42 | 9.44 | 9.00 |
| 5 | 88 | 7.72 | 8.62 | 8.19 | 85 | 8.05 | 8.84 | 8.48 |
| 6 | 66 | 7.67 | 8.75 | 8.22 | 58 | 8.02 | 8.82 | 8.54 |
| 7 | 57 | 8.07 | 8.92 | 8.52 | 50 | 8.10 | 9.07 | 8.64 |
| 8 | 72 | 7.54 | 8.28 | 7.97 | 66 | 7.70 | 8.53 | 8.07 |
| 9 | 66 | 6.90 | 7.81 | 7.42 | 66 | 7.17 | 7.92 | 7.53 |
| Iowa | 566 | 7.35 | 7.89 | 7.71 | 496 | 7.51 | 7.92 | 7.79 |
| District 1 | 64 | 7.78 | 8.00 | 7.95 | 54 | 7.89 | 8.00 | 7.96 |
| 2 | 65 | 7.62 | 7.97 | 7.88 | 61 | 7.69 | 8.02 | 7.94 |
| 3 | 60 | 7.10 | 7.85 | 7.58 | 54 | 7.49 | 7.93 | 7.83 |
| 4 | 66 | 7.73 | 7.98 | 7.94 | 61 | 7.74 | 7.98 | 7.93 |
| 5 | 83 | 7.41 | 8.00 | 7.83 | 65 | 7.61 | 8.00 | 7.89 |
| 6 | 78 | 6.65 | 7.65 | 7.25 | 68 | 6.85 | 7.73 | 7.36 |
| 7 | 44 | 7.73 | 7.98 | 7.93 | 37 | 7.85 | 7.97 | 7.96 |
| 8 | 46 | 7.52 | 8.00 | 7.93 | 41 | 7.73 | 8.00 | 7.95 |
| 9 | 60 | 6.85 | 7.58 | 7.23 | 55 | 7.05 | 7.69 | 7.43 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| West North Central—Continued. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| Missouri | 447 | 7.38 | 7.95 | 7.72 | 373 | 7.72 | 8.33 | 8.03 |
| District 1 | 72 | 7.32 | 7.81 | 7.62 | 57 | 7.53 | 7.86 | 7.78 |
| 2 | 52 | 7.31 | 7.88 | 7.69 | 35 | 7.60 | 7.91 | 7.80 |
| 3 | 39 | 7.08 | 7.77 | 7.45 | 36 | 7.31 | 7.92 | 7.67 |
| 4 | 66 | 7.42 | 7.94 | 7.77 | 53 | 7.85 | 8.32 | 8.12 |
| 5 | 68 | 7.38 | 7.90 | 7.74 | 58 | 7.73 | 8.16 | 7.98 |
| 6 | 46 | 6.65 | 7.53 | 7.20 | 47 | 7.15 | 7.72 | 7.53 |
| 7 | 38 | 7.87 | 8.13 | 8.00 | 30 | 8.23 | 9.07 | 8.40 |
| 8 | 38 | 7.84 | 8.87 | 8.34 | 30 | 8.53 | 10.97 | 9.53 |
| 9 | 28 | 7.86 | 8.11 | 7.93 | 27 | 8.07 | 8.15 | 8.07 |
| North Dakota | 368 | 9.38 | 9.95 | 9.82 | 341 | 9.95 | 9.95 | 9.86 |
| District 1 | 53 | 9.74 | 10.00 | 9.92 | 51 | 9.86 | 9.98 | 9.94 |
| 2 | 52 | 9.69 | 10.00 | 9.98 | 49 | 9.80 | 10.00 | 9.96 |
| 3 | 71 | 8.92 | 9.86 | 9.33 | 65 | 9.11 | 9.88 | 9.71 |
| 4 | 32 | 10.00 | 10.00 | 10.00 | 30 | 10.00 | 10.00 | 10.00 |
| 5 | 32 | 9.12 | 9.94 | 9.84 | 27 | 9.41 | 9.89 | 9.78 |
| 6 | 41 | 8.63 | 9.80 | 9.40 | 39 | 9.08 | 9.85 | 9.58 |
| 7 | 25 | 9.76 | 10.00 | 9.92 | 22 | 9.95 | 10.00 | 10.00 |
| 8 | 22 | 9.77 | 10.00 | 9.95 | 20 | 9.80 | 10.00 | 10.00 |
| 9 | 40 | 9.32 | 10.00 | 9.94 | 38 | 9.45 | 10.00 | 9.96 |
| South Dakota | 261 | 8.97 | 9.98 | 9.59 | 238 | 9.20 | 10.05 | 9.69 |
| District 1 | 19 | 10.26 | 10.68 | 10.68 | 18 | 10.33 | 10.78 | 10.78 |
| 2 | 43 | 9.05 | 9.98 | 9.56 | 39 | 9.38 | 10.10 | 9.64 |
| 3 | 54 | 8.81 | 10.19 | 9.75 | 49 | 8.89 | 10.16 | 9.77 |
| 4 | 18 | 9.39 | 9.94 | 9.61 | 17 | 9.82 | 9.82 | 9.82 |
| 5 | 25 | 9.12 | 10.08 | 9.70 | 21 | 9.62 | 10.19 | 9.90 |
| 6 | 55 | 8.25 | 9.64 | 9.01 | 48 | 8.50 | 9.81 | 9.20 |
| 7 | 5 | 9.60 | 10.00 | 10.00 | 5 | 9.60 | 10.00 | 10.00 |
| 8 | 14 | 10.14 | 10.43 | 10.21 | 14 | 10.14 | 10.71 | 10.36 |
| 9 | 28 | 8.57 | 9.50 | 9.21 | 27 | 8.70 | 9.37 | 9.15 |
| Nebraska | 365 | 8.24 | 9.35 | 8.87 | 304 | 8.66 | 9.51 | 9.12 |
| District 1 | 16 | 9.25 | 10.00 | 9.78 | 17 | 9.71 | 10.00 | 9.88 |
| 2 | 13 | 9.46 | 10.00 | 9.92 | 12 | 9.42 | 10.00 | 10.00 |
| 3 | 55 | 8.38 | 9.58 | 9.18 | 47 | 8.72 | 9.79 | 9.37 |
| 4 | 23 | 9.87 | 10.00 | 10.00 | 20 | 10.00 | 10.00 | 10.00 |
| 5 | 45 | 8.08 | 9.66 | 8.83 | 33 | 8.73 | 9.73 | 9.30 |
| 6 | 80 | 7.77 | 8.91 | 8.34 | 70 | 8.16 | 9.01 | 8.59 |
| 7 | 33 | 8.64 | 9.94 | 9.55 | 29 | 9.07 | 9.69 | 9.48 |
| 8 | 35 | 7.97 | 9.20 | 8.66 | 29 | 8.62 | 9.72 | 9.16 |
| 9 | 65 | 7.68 | 8.75 | 8.21 | 47 | 7.89 | 9.06 | 8.39 |
| Kansas | 496 | 7.97 | 8.81 | 8.37 | 405 | 8.16 | 9.13 | 8.75 |
| District 1 | 27 | 8.30 | 9.26 | 8.93 | 21 | 9.14 | 9.62 | 9.52 |
| 2 | 54 | 7.87 | 8.63 | 8.11 | 46 | 8.15 | 8.96 | 8.45 |
| 3 | 76 | 7.46 | 8.25 | 7.84 | 63 | 7.85 | 8.58 | 8.16 |
| 4 | 17 | 8.76 | 9.47 | 9.29 | 14 | 8.93 | 9.57 | 9.21 |
| 5 | 65 | 8.03 | 8.63 | 8.31 | 52 | 8.19 | 8.88 | 8.43 |
| 6 | 64 | 7.72 | 8.34 | 8.09 | 51 | 8.20 | 8.88 | 8.50 |
| 7 | 35 | 9.14 | 9.83 | 9.51 | 30 | 7.51 | 9.80 | 9.53 |
| 8 | 80 | 7.87 | 9.11 | 8.51 | 64 | 8.56 | 9.52 | 9.08 |
| 9 | 78 | 7.96 | 8.85 | 8.30 | 64 | 8.59 | 9.25 | 8.94 |
| South Atlantic | 802 | 7.26 | 7.78 | 7.52 | 687 | 7.50 | 8.18 | 7.79 |
| Delaware | 14 | 6.00 | 6.00 | 6.00 | 13 | 6.00 | 6.00 | 6.00 |
| Maryland | 61 | 5.98 | 6.05 | 6.01 | 58 | 6.00 | 6.03 | 6.02 |
| District 1 | 9 | 6.00 | 6.00 | 6.00 | 8 | 6.00 | 6.00 | 6.00 |
| 2 | 21 | 5.95 | 6.05 | 6.00 | 19 | 6.00 | 6.00 | 6.00 |
| 3 | 7 | 6.00 | 6.00 | 6.00 | 8 | 6.00 | 6.00 | 6.00 |
| 5 | 11 | 6.00 | 6.18 | 6.09 | 12 | 6.00 | 6.17 | 6.08 |
| 6 | 7 | 6.00 | 6.00 | 6.00 | 7 | 6.00 | 6.00 | 6.00 |
| 8 | 1 | 6.00 | 6.00 | 6.00 | | | | |
| 9 | 5 | 6.00 | 6.00 | 6.00 | 5 | 6.00 | 6.00 | 6.00 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reportrd by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| South Atlantic—Con. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| District of Columbia | 2 | 6.00 | 8.00 | 6.50 | 1 | 6.00 | 8.00 | 8.00 |
| Virginia | 111 | 6.06 | 6.27 | 6.17 | 99 | 6.20 | 6.39 | 6.29 |
| District 2 | 17 | 6.00 | 6.00 | 6.00 | 16 | 6.00 | 6.00 | 6.00 |
| 4 | 14 | 6.00 | 6.00 | 6.00 | 12 | 6.00 | 6.00 | 6.00 |
| 5 | 17 | 6.00 | 6.00 | 6.00 | 14 | 6.00 | 6.00 | 6.00 |
| 6 | 13 | 6.00 | 6.00 | 6.00 | 12 | 6.00 | 6.00 | 6.00 |
| 7 | 26 | 6.02 | 6.10 | 6.02 | 22 | 6.20 | 6.48 | 6.34 |
| 8 | 10 | 6.20 | 6.70 | 6.60 | 10 | 6.30 | 6.80 | 6.70 |
| 9 | 14 | 6.29 | 7.43 | 6.89 | 13 | 6.46 | 7.54 | 7.12 |
| West Virginia | 55 | 6.00 | 6.11 | 6.05 | 42 | 6.00 | 6.19 | 6.10 |
| District 1 | 9 | 6.00 | 6.00 | 6.00 | 5 | 6.00 | 6.00 | 6.00 |
| 2 | 12 | 6.00 | 6.00 | 6.00 | 10 | 6.00 | 6.00 | 6.00 |
| 3 | 9 | 6.00 | 6.22 | 6.00 | 6 | 6.00 | 6.33 | 6.00 |
| 4 | 9 | 6.00 | 6.44 | 6.33 | 6 | 6.00 | 7.00 | 6.67 |
| 5 | 2 | 6.00 | 6.00 | 6.00 | 2 | 6.00 | 6.00 | 6.00 |
| 6 | 10 | 6.00 | 6.00 | 6.00 | 9 | 6.00 | 6.00 | 6.00 |
| 8 | 4 | 6.00 | 6.00 | 6.00 | 4 | 6.00 | 6.00 | 6.00 |
| North Carolina | 106 | 6.12 | 6.44 | 6.23 | 83 | 6.10 | 6.65 | 6.28 |
| District 1 | 12 | 6.00 | 6.75 | 6.38 | 9 | 6.00 | 8.22 | 6.78 |
| 2 | 14 | 6.00 | 6.00 | 6.00 | 12 | 6.00 | 6.00 | 6.00 |
| 3 | 17 | 6.12 | 6.24 | 6.12 | 14 | 6.14 | 6.29 | 6.29 |
| 4 | 12 | 6.17 | 6.17 | 6.17 | 10 | 6.20 | 6.40 | 6.30 |
| 5 | 20 | 6.00 | 6.30 | 6.05 | 15 | 6.00 | 6.40 | 6.07 |
| 6 | 11 | 6.00 | 6.18 | 6.00 | 9 | 6.00 | 6.00 | 6.00 |
| 7 | 6 | 6.67 | 7.67 | 7.33 | 3 | 7.00 | 8.67 | 8.33 |
| 8 | 10 | 6.50 | 7.40 | 6.65 | 9 | 6.11 | 7.33 | 6.17 |
| 9 | 4 | 6.00 | 6.00 | 6.00 | 2 | 6.00 | 6.00 | 6.00 |
| South Carolina | 172 | 7.87 | 8.11 | 8.06 | 147 | 8.04 | 8.37 | 8.20 |
| District 1 | 37 | 7.89 | 8.08 | 8.03 | 38 | 7.95 | 8.45 | 8.08 |
| 2 | 19 | 7.42 | 8.00 | 8.00 | 17 | 7.59 | 8.35 | 8.12 |
| 3 | 28 | 8.07 | 8.14 | 8.07 | 23 | 8.17 | 8.35 | 8.17 |
| 4 | 23 | 7.91 | 8.09 | 8.09 | 19 | 7.89 | 8.11 | 8.11 |
| 5 | 30 | 7.87 | 8.20 | 8.07 | 23 | 8.17 | 8.35 | 8.26 |
| 6 | 9 | 7.89 | 8.00 | 7.94 | 7 | 8.00 | 8.00 | 8.00 |
| 8 | 26 | 7.92 | 8.15 | 8.15 | 20 | 8.48 | 8.70 | 8.62 |
| Georgia | 231 | 8.47 | 9.54 | 8.94 | 206 | 8.91 | 10.35 | 9.49 |
| District 1 | 13 | 8.00 | 9.08 | 8.46 | 12 | 8.67 | 10.29 | 9.04 |
| 2 | 27 | 8.22 | 9.33 | 8.70 | 27 | 8.67 | 11.33 | 9.65 |
| 3 | 22 | 8.18 | 9.00 | 8.55 | 18 | 8.22 | 9.11 | 8.56 |
| 4 | 54 | 8.28 | 9.41 | 8.80 | 40 | 8.68 | 9.52 | 9.13 |
| 5 | 35 | 8.51 | 9.91 | 9.25 | 31 | 9.23 | 11.19 | 10.13 |
| 6 | 26 | 9.04 | 10.19 | 9.52 | 23 | 9.48 | 10.43 | 9.70 |
| 7 | 20 | 8.45 | 9.30 | 8.75 | 20 | 8.85 | 9.90 | 9.10 |
| 8 | 21 | 9.05 | 10.38 | 9.57 | 21 | 9.62 | 11.05 | 10.52 |
| 9 | 13 | 7.92 | 8.62 | 8.46 | 14 | 8.57 | 10.00 | 9.00 |
| Florida | 50 | 8.06 | 9.12 | 8.72 | 38 | 8.74 | 9.84 | 9.32 |
| District 1 | 7 | 9.14 | 10.00 | 9.57 | 4 | 9.50 | 10.00 | 9.50 |
| 3 | 9 | 8.33 | 9.78 | 9.22 | 6 | 9.00 | 10.75 | 10.00 |
| 5 | 25 | 8.16 | 8.56 | 8.24 | 20 | 8.40 | 9.50 | 8.95 |
| 8 | 9 | 8.44 | 9.33 | 8.89 | 8 | 9.00 | 10.00 | 9.62 |
| East South Central | 599 | 7.52 | 8.09 | 7.83 | 512 | 8.06 | 8.60 | 8.36 |
| Kentucky | 131 | 6.50 | 7.08 | 6.79 | 103 | 6.85 | 7.48 | 7.14 |
| District 1 | 18 | 6.78 | 7.61 | 7.28 | 14 | 7.29 | 8.29 | 7.71 |
| 2 | 24 | 6.25 | 6.96 | 6.69 | 16 | 6.75 | 7.31 | 7.00 |
| 3 | 4 | 6.00 | 6.00 | 6.00 | 4 | 6.00 | 6.00 | 6.00 |
| 5 | 32 | 6.19 | 6.47 | 6.28 | 26 | 6.46 | 6.77 | 6.63 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| East South Central—Continued. | | | | | | | | |
| Kentucky—Con. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| District 6 | 6 | 6.67 | 7.33 | 7.00 | 3 | 6.00 | 7.33 | 6.67 |
| 7 | 17 | 7.06 | 7.76 | 7.47 | 15 | 7.23 | 7.77 | 7.57 |
| 7a | 14 | 6.93 | 7.71 | 7.14 | 11 | 7.36 | 8.55 | 7.73 |
| 8 | 12 | 6.42 | 6.92 | 6.58 | 12 | 7.00 | 7.58 | 7.25 |
| 9 | 4 | 6.00 | 6.50 | 6.25 | 2 | 6.00 | 7.00 | 6.50 |
| Tennessee | 186 | 7.39 | 8.13 | 7.88 | 150 | 7.87 | 8.43 | 8.25 |
| District 1 | 29 | 8.07 | 8.62 | 8.48 | 26 | 8.46 | 8.77 | 8.65 |
| 2 | 27 | 6.89 | 7.67 | 7.26 | 20 | 7.10 | 8.15 | 7.70 |
| 3 | 23 | 6.96 | 7.87 | 7.48 | 17 | 7.06 | 7.76 | 7.53 |
| 4 | 19 | 7.89 | 9.00 | 8.63 | 16 | 8.75 | 9.25 | 9.12 |
| 5 | 35 | 7.00 | 7.83 | 7.54 | 28 | 7.57 | 8.29 | 8.00 |
| 6 | 10 | 7.20 | 7.80 | 7.80 | 9 | 7.78 | 8.11 | 8.00 |
| 7 | 15 | 7.53 | 8.33 | 8.13 | 11 | 8.55 | 8.91 | 8.82 |
| 8 | 14 | 7.57 | 8.14 | 8.00 | 9 | 7.78 | 8.22 | 8.00 |
| 9 | 14 | 7.71 | 8.00 | 8.00 | 14 | 8.07 | 8.86 | 8.50 |
| Alabama | 140 | 8.15 | 8.88 | 8.46 | 126 | 9.08 | 9.84 | 9.51 |
| District 1 | 12 | 7.83 | 8.17 | 8.00 | 11 | 9.91 | 9.91 | 9.91 |
| 2 | 16 | 8.25 | 9.00 | 8.62 | 17 | 8.76 | 9.82 | 9.53 |
| 2 a | 15 | 8.17 | 9.13 | 8.62 | 14 | 9.00 | 10.00 | 9.50 |
| 3 | 14 | 8.43 | 8.86 | 8.64 | 11 | 9.82 | 10.00 | 9.82 |
| 4 | 12 | 8.00 | 8.50 | 8.17 | 12 | 8.67 | 9.00 | 9.00 |
| 5 | 11 | 8.18 | 8.73 | 8.36 | 9 | 9.11 | 9.56 | 9.56 |
| 6 | 19 | 8.21 | 9.68 | 8.95 | 18 | 9.11 | 10.44 | 9.78 |
| 7 | 4 | 8.50 | 8.50 | 8.50 | 4 | 10.00 | 10.00 | 10.00 |
| 8 | 15 | 8.13 | 8.80 | 8.33 | 12 | 9.17 | 9.83 | 9.58 |
| 9 | 22 | 8.00 | 8.73 | 8.23 | 18 | 8.44 | 9.67 | 8.94 |
| Mississippi | 142 | 8.01 | 8.17 | 8.11 | 133 | 8.24 | 8.50 | 8.34 |
| District 1 | 15 | 8.13 | 8.13 | 8.13 | 15 | 8.27 | 8.53 | 8.27 |
| 2 | 23 | 8.17 | 8.35 | 8.22 | 22 | 8.18 | 8.64 | 8.32 |
| 3 | 9 | 8.00 | 8.22 | 8.00 | 7 | 8.00 | 8.29 | 8.00 |
| 4 | 12 | 8.00 | 8.17 | 8.08 | 12 | 7.83 | 8.33 | 8.17 |
| 5 | 20 | 8.10 | 8.30 | 8.25 | 19 | 8.63 | 8.84 | 8.79 |
| 6 | 13 | 8.00 | 8.00 | 8.00 | 13 | 8.62 | 8.77 | 8.62 |
| 7 | 21 | 7.81 | 8.10 | 8.10 | 17 | 8.12 | 8.12 | 8.12 |
| 8 | 14 | 8.00 | 8.00 | 8.00 | 14 | 8.43 | 8.43 | 8.43 |
| 9 | 15 | 7.87 | 8.13 | 8.00 | 14 | 7.86 | 8.29 | 8.07 |
| West South Central | 789 | 9.24 | 9.90 | 9.66 | 621 | 9.80 | 10.53 | 10.14 |
| Arkansas | 112 | 9.15 | 9.92 | 9.70 | 102 | 9.64 | 9.95 | 9.88 |
| District 1 | 17 | 9.24 | 9.94 | 9.35 | 15 | 9.80 | 9.93 | 9.93 |
| 2 | 16 | 9.25 | 10.00 | 9.81 | 11 | 9.82 | 10.00 | 9.91 |
| 3 | 19 | 8.95 | 10.00 | 9.89 | 18 | 9.77 | 10.00 | 9.89 |
| 4 | 16 | 9.25 | 9.75 | 9.75 | 15 | 9.73 | 9.87 | 9.87 |
| 5 | 6 | 9.67 | 10.00 | 9.67 | 6 | 10.00 | 10.00 | 10.00 |
| 6 | 14 | 8.86 | 9.71 | 9.43 | 13 | 9.08 | 9.85 | 9.62 |
| 7 | 11 | 9.32 | 10.00 | 9.95 | 11 | 9.64 | 10.00 | 10.00 |
| 8 | 6 | 9.67 | 10.00 | 9.83 | 6 | 10.00 | 10.00 | 10.00 |
| 9 | 7 | 8.14 | 10.00 | 9.71 | 7 | 8.86 | 10.00 | 9.86 |
| Louisiana | 49 | 7.89 | 8.74 | 8.34 | 45 | 8.38 | 9.27 | 8.74 |
| District 1 | 4 | 7.75 | 8.50 | 7.88 | 4 | 7.75 | 9.00 | 8.38 |
| 2 | 6 | 8.00 | 9.83 | 8.67 | 6 | 9.00 | 9.83 | 9.42 |
| 3 | 7 | 8.29 | 9.14 | 8.86 | 6 | 8.33 | 9.33 | 9.00 |
| 4 | 3 | 8.00 | 8.67 | 8.17 | 3 | 8.00 | 8.67 | 8.17 |
| 5 | 9 | 8.00 | 8.22 | 8.11 | 9 | 8.89 | 9.11 | 9.00 |
| 6 | 3 | 8.00 | 8.67 | 8.67 | 3 | 8.00 | 8.67 | 8.67 |
| 7 | 9 | 7.33 | 8.67 | 8.22 | 8 | 8.25 | 10.00 | 8.50 |
| 8 | 6 | 8.00 | 8.67 | 8.33 | 5 | 8.00 | 8.80 | 8.40 |
| 9 | 2 | 7.75 | 7.75 | 7.75 | 1 | 8.00 | 8.00 | 8.00 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921.* —Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| West South Central—Continued. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| Oklahoma | 274 | 9.46 | 9.99 | 9.84 | 204 | 10.11 | 10.79 | 10.40 |
| District 1 | 35 | 9.74 | 10.06 | 10.00 | 25 | 9.92 | 10.08 | 10.00 |
| 2 | 33 | 8.85 | 9.76 | 9.45 | 23 | 9.57 | 10.09 | 9.78 |
| 3 | 20 | 9.40 | 9.90 | 9.70 | 17 | 9.65 | 10.00 | 9.88 |
| 4 | 23 | 10.00 | 10.00 | 10.00 | 16 | 10.00 | 10.94 | 10.00 |
| 5 | 52 | 9.31 | 10.00 | 9.83 | 38 | 10.42 | 11.08 | 10.79 |
| 6 | 27 | 9.04 | 10.00 | 9.78 | 20 | 10.30 | 11.85 | 10.50 |
| 7 | 43 | 9.63 | 10.05 | 9.95 | 33 | 9.82 | 10.27 | 10.08 |
| 8 | 36 | 9.83 | 10.06 | 9.97 | 27 | 10.81 | 11.96 | 11.63 |
| 9 | 5 | 9.20 | 10.00 | 9.80 | 5 | 10.40 | 10.40 | 10.40 |
| Texas | 354 | 9.28 | 9.99 | 9.68 | 270 | 9.87 | 10.76 | 10.27 |
| District 1 | 57 | 9.82 | 10.04 | 9.91 | 41 | 9.90 | 10.24 | 9.95 |
| 2 | 65 | 9.27 | 10.17 | 9.75 | 53 | 10.55 | 12.28 | 11.26 |
| 3 | 35 | 9.43 | 10.27 | 9.86 | 24 | 9.62 | 11.29 | 10.00 |
| 4 | 14 | 9.71 | 10.00 | 9.79 | 9 | 10.00 | 10.22 | 10.00 |
| 4a | 36 | 9.56 | 9.94 | 9.83 | 33 | 9.91 | 10.24 | 10.06 |
| 5 | 76 | 8.92 | 9.97 | 9.63 | 57 | 9.46 | 10.26 | 10.02 |
| 6 | 17 | 9.29 | 10.00 | 9.68 | 12 | 10.92 | 12.25 | 12.08 |
| 8 | 41 | 9.05 | 9.63 | 9.33 | 28 | 9.36 | 9.86 | 9.64 |
| 9 | 13 | 8.08 | 9.38 | 8.69 | 13 | 9.31 | 9.69 | 9.31 |
| Mountain | 590 | 9.19 | 9.92 | 9.64 | 543 | 9.61 | 10.25 | 9.96 |
| Montana | 179 | 9.61 | 10.00 | 9.90 | 171 | 9.71 | 10.01 | 9.95 |
| District 1 | 6 | 9.33 | 10.00 | 9.83 | 6 | 9.33 | 10.00 | 9.83 |
| 2 | 32 | 9.94 | 10.00 | 10.00 | 30 | 10.00 | 10.00 | 10.00 |
| 3 | 22 | 9.82 | 10.00 | 10.00 | 21 | 10.00 | 10.00 | 10.00 |
| 4 | 15 | 8.93 | 10.00 | 9.60 | 15 | 9.33 | 10.00 | 9.80 |
| 5 | 36 | 9.50 | 10.00 | 9.88 | 35 | 9.66 | 10.00 | 9.94 |
| 6 | 15 | 9.87 | 10.00 | 10.00 | 14 | 9.71 | 10.00 | 10.00 |
| 7 | 6 | 9.00 | 10.00 | 9.67 | 6 | 9.00 | 10.33 | 9.83 |
| 8 | 30 | 9.53 | 10.00 | 9.90 | 29 | 9.66 | 10.00 | 9.97 |
| 9 | 17 | 9.83 | 10.00 | 9.94 | 15 | 9.80 | 10.00 | 9.93 |
| Idaho | 91 | 9.02 | 9.77 | 9.55 | 86 | 9.48 | 9.93 | 9.76 |
| District 1 | 23 | 8.57 | 9.26 | 8.91 | 22 | 9.05 | 9.82 | 9.27 |
| 2 | 3 | 9.33 | 10.00 | 10.00 | 3 | 9.33 | 10.00 | 10.00 |
| 4 | 2 | 10.00 | 10.00 | 10.00 | 2 | 10.00 | 10.00 | 10.00 |
| 5 | 7 | 9.00 | 9.86 | 9.57 | 7 | 9.43 | 10.00 | 9.64 |
| 6 | 11 | 9.09 | 10.00 | 9.77 | 11 | 9.64 | 10.00 | 10.00 |
| 7 | 20 | 9.10 | 9.90 | 9.65 | 18 | 9.56 | 9.89 | 9.89 |
| 8 | 13 | 9.54 | 10.00 | 10.00 | 13 | 10.00 | 10.00 | 10.00 |
| 9 | 12 | 8.92 | 9.92 | 9.71 | 10 | 9.40 | 10.00 | 10.00 |
| Wyoming | 57 | 9.26 | 10.25 | 9.72 | 50 | 9.96 | 10.86 | 10.26 |
| District 1 | 11 | 9.82 | 10.36 | 10.00 | 11 | 10.36 | 11.09 | 10.55 |
| 2 | 7 | 9.43 | 10.86 | 10.29 | 5 | 10.40 | 12.00 | 11.00 |
| 3 | 5 | 10.40 | 11.20 | 10.80 | 5 | 11.20 | 12.00 | 11.60 |
| 4 | 3 | 9.67 | 10.33 | 9.67 | 3 | 10.67 | 10.67 | 10.67 |
| 5 | 6 | 8.67 | 10.00 | 9.50 | 5 | 9.20 | 9.60 | 9.60 |
| 6 | 6 | 9.33 | 10.00 | 10.00 | 6 | 9.67 | 10.33 | 10.00 |
| 7 | 3 | 8.00 | 10.00 | 8.67 | 3 | 8.67 | 10.67 | 8.67 |
| 8 | 6 | 8.50 | 9.83 | 9.00 | 4 | 9.00 | 10.25 | 9.50 |
| 9 | 10 | 9.00 | 9.80 | 9.20 | 8 | 9.75 | 10.75 | 10.06 |
| Colorado | 153 | 8.91 | 9.67 | 9.43 | 134 | 9.41 | 10.12 | 9.84 |
| District 1 | 7 | 9.29 | 10.00 | 9.71 | 7 | 10.00 | 10.29 | 10.14 |
| 2 | 36 | 8.21 | 9.19 | 8.74 | 30 | 8.70 | 9.33 | 9.13 |
| 3 | 18 | 9.33 | 10.00 | 9.89 | 17 | 9.88 | 10.12 | 10.00 |
| 4 | 18 | 9.33 | 10.28 | 9.67 | 18 | 10.00 | 10.89 | 10.22 |
| 5 | 6 | 8.00 | 9.67 | 8.83 | 5 | 8.40 | 10.40 | 9.40 |
| 6 | 28 | 8.86 | 9.59 | 9.32 | 23 | 9.04 | 9.83 | 9.65 |
| 7 | 5 | 9.20 | 10.80 | 9.60 | 5 | 9.60 | 10.80 | 10.40 |
| 8 | 11 | 9.27 | 10.73 | 9.82 | 9 | 10.00 | 11.33 | 10.67 |
| 9 | 24 | 9.25 | 10.08 | 9.91 | 20 | 9.70 | 10.10 | 10.10 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| Mountain—Contd. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| New Mexico | 35 | 9.60 | 10.69 | 10.17 | 29 | 10.21 | 11.45 | 10.62 |
| District 1 | 3 | 10.00 | 10.00 | 10.00 | 3 | 10.67 | 12.00 | 12.00 |
| 2 | 3 | 8.00 | 12.00 | 10.00 | 3 | 8.67 | 11.33 | 10.67 |
| 3 | 2 | 9.00 | 12.00 | 11.00 | 2 | 11.00 | 16.00 | 11.50 |
| 4 | 1 | 10.00 | 10.00 | 10.00 | | | | |
| 5 | 3 | 8.00 | 10.67 | 9.00 | 3 | 9.33 | 10.67 | 9.33 |
| 6 | 14 | 10.00 | 10.57 | 10.29 | 10 | 10.60 | 11.00 | 10.60 |
| 7 | 2 | 10.00 | 11.00 | 10.50 | 2 | 11.00 | 12.00 | 11.00 |
| 8 | 5 | 10.00 | 10.40 | 10.40 | 4 | 10.00 | 11.00 | 10.25 |
| 9 | 2 | 10.00 | 10.00 | 10.00 | 2 | 10.00 | 10.00 | 10.00 |
| Arizona | 25 | 9.04 | 9.84 | 9.44 | 24 | 9.33 | 9.92 | 9.75 |
| District 1 | | | | | | | | |
| 2 | 2 | 10.00 | 10.00 | 10.00 | 1 | 10.00 | 10.00 | 10.00 |
| 3 | 2 | 10.00 | 10.00 | 10.00 | 2 | 10.00 | 10.00 | 10.00 |
| 5 | 13 | 8.31 | 9.69 | 9.00 | 12 | 9.00 | 9.83 | 9.58 |
| 6 | 2 | 10.00 | 10.00 | 10.00 | 3 | 10.00 | 10.00 | 10.00 |
| 7 | 2 | 10.00 | 10.00 | 10.00 | 2 | 9.00 | 10.00 | 10.00 |
| 8 | | | | | | | | |
| 9 | 4 | 9.50 | 10.00 | 9.75 | 4 | 9.50 | 10.00 | 9.75 |
| Utah | 40 | 8.52 | 9.95 | 9.25 | 39 | 9.67 | 11.03 | 10.27 |
| District 1 | 3 | 9.67 | 10.00 | 10.00 | 3 | 10.00 | 10.67 | 10.00 |
| 2 | 15 | 8.20 | 9.93 | 9.00 | 15 | 9.33 | 10.93 | 10.17 |
| 3 | 4 | 9.00 | 10.00 | 9.25 | 3 | 10.00 | 11.33 | 10.67 |
| 4 | 3 | 8.00 | 10.00 | 9.00 | 3 | 9.33 | 10.67 | 10.00 |
| 5 | 7 | 8.57 | 9.71 | 9.00 | 7 | 9.71 | 10.86 | 10.29 |
| 6 | 3 | 8.33 | 10.67 | 9.67 | 3 | 9.67 | 11.33 | 9.67 |
| 7 | 3 | 9.00 | 9.67 | 9.67 | 3 | 11.33 | 11.33 | 11.33 |
| 8 | 2 | 8.50 | 10.00 | 10.00 | 2 | 9.00 | 12.00 | 10.50 |
| 9 | | | | | | | | |
| Nevada | 10 | 8.40 | 9.40 | 8.90 | 10 | 8.40 | 10.00 | 9.50 |
| District 1 | 1 | 8.00 | 12.00 | 10.00 | 1 | 8.00 | 12.00 | 12.00 |
| 2 | 2 | 8.00 | 9.00 | 8.50 | 2 | 8.00 | 9.00 | 8.50 |
| 3 | 1 | 8.00 | 8.00 | 8.00 | 1 | 8.00 | 8.00 | 8.00 |
| 4 | 2 | 8.00 | 8.00 | 8.00 | 2 | 8.00 | 10.00 | 9.00 |
| 5 | 1 | 8.00 | 8.00 | 8.00 | 1 | 8.00 | 10.00 | 8.00 |
| 6 | 2 | 8.00 | 10.00 | 9.00 | 2 | 10.00 | 10.00 | 10.00 |
| 7 | | | | | | | | |
| 8 | 1 | 12.00 | 12.00 | 12.00 | 1 | 8.00 | 12.00 | 12.00 |
| 9 | | | | | | | | |
| Pacific | 542 | 7.61 | 8.35 | 8.01 | 478 | 8.01 | 8.62 | 8.24 |
| Washington | 134 | 8.22 | 8.91 | 8.56 | 123 | 8.60 | 9.28 | 8.90 |
| District 1 | 18 | 7.83 | 8.11 | 8.00 | 17 | 8.24 | 8.47 | 8.29 |
| 2 | 13 | 9.08 | 10.46 | 9.85 | 13 | 9.54 | 10.77 | 10.15 |
| 3 | 7 | 8.29 | 10.29 | 8.86 | 7 | 9.00 | 10.57 | 9.57 |
| 4 | 15 | 7.73 | 8.33 | 8.00 | 14 | 8.21 | 8.71 | 8.43 |
| 5 | 11 | 8.00 | 8.64 | 8.45 | 11 | 8.27 | 9.00 | 8.64 |
| 5a | 18 | 9.17 | 9.72 | 9.44 | 15 | 9.73 | 10.00 | 9.80 |
| 6 | 25 | 7.80 | 8.56 | 8.08 | 22 | 8.23 | 9.18 | 8.73 |
| 7 | 14 | 8.07 | 8.43 | 8.21 | 13 | 8.08 | 8.85 | 8.31 |
| 8 | 6 | 9.17 | 9.67 | 9.67 | 4 | 9.00 | 9.50 | 9.50 |
| 9 | 7 | 7.57 | 7.86 | 7.86 | 7 | 8.14 | 8.14 | 8.14 |
| Oregon | 124 | 7.88 | 8.55 | 8.27 | 111 | 8.28 | 8.73 | 8.47 |
| District 1 | 46 | 7.67 | 8.30 | 8.01 | 38 | 8.16 | 8.66 | 8.33 |
| 2 | 14 | 7.86 | 8.29 | 8.11 | 12 | 8.17 | 8.33 | 8.21 |
| 3 | 9 | 8.33 | 9.33 | 9.00 | 8 | 9.25 | 9.75 | 9.38 |
| 4 | 16 | 7.50 | 8.38 | 8.12 | 16 | 7.94 | 8.38 | 8.19 |
| 5 | 5 | 8.80 | 8.80 | 8.80 | 4 | 9.00 | 9.00 | 9.00 |
| 6 | 5 | 8.00 | 8.80 | 8.00 | 5 | 8.00 | 8.40 | 8.00 |
| 7 | 15 | 7.87 | 8.40 | 8.27 | 14 | 8.00 | 8.57 | 8.50 |
| 8 | 8 | 7.62 | 8.75 | 8.12 | 8 | 8.00 | 8.75 | 8.12 |
| 9 | 6 | 9.33 | 10.00 | 9.83 | 6 | 9.67 | 10.00 | 9.83 |

TABLE 2.—*Average rates of interest on short-time loans to farmers reported by banks, March, 1921*—Continued.

| Geographic division, State, and crop estimates district. | Short-time loans of $100 or more. | | | | Petty short-time loans. | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of banks reporting. | Rate of interest. | | | Number of banks reporting. | Rate of interest. | | |
| | | Low. | High. | Prevailing. | | Low. | High. | Prevailing. |
| Pacific—Continued. | | *Per cent.* | *Per cent.* | *Per cent.* | | *Per cent.* | *Per cent.* | *Per cent.* |
| California | 284 | 7.21 | 8.00 | 7.63 | 244 | 7.59 | 8.25 | 7.79 |
| District 1 | 13 | 7.23 | 8.15 | 7.58 | 9 | 7.22 | 8.89 | 7.78 |
| 2 | 5 | 7.80 | 8.20 | 8.00 | 5 | 7.80 | 8.20 | 8.00 |
| 3 | 3 | 7.67 | 8.67 | 8.00 | 3 | 8.00 | 8.67 | 8.67 |
| 4 | 38 | 6.79 | 7.71 | 7.32 | 32 | 6.97 | 7.69 | 7.30 |
| 5 | 48 | 7.02 | 7.81 | 7.36 | 41 | 7.59 | 8.24 | 7.85 |
| 5a | 55 | 7.39 | 7.93 | 7.76 | 50 | 7.66 | 8.04 | 7.87 |
| 6 | 6 | 7.50 | 8.83 | 7.67 | 8 | 7.00 | 8.50 | 7.50 |
| 6a | 2 | 8.50 | 9.50 | 8.50 | 2 | 10.00 | 10.00 | 10.00 |
| 8 | 114 | 7.26 | 8.10 | 7.75 | 94 | 7.78 | 8.42 | 7.84 |

Considering the average prevailing rate on short-time loans of $100 or more by geographic divisions, the lowest average is found for the Middle Atlantic States, namely, 6.01 per cent, and the highest for the West South Central States, 9.66 per cent. For individual States the lowest average is 5.98 per cent for New Hampshire, and the highest is 10.17 per cent for New Mexico. The smallest variation in the prevailing rate within any geographic division occurs in the Middle Atlantic States, where New Jersey has an average of 6 per cent and New York and Pennsylvania each 6.01 per cent. In the South Atlantic States, however, a variation of 2.72 per cent occurs between Delaware and Florida. For individual States, the largest variations in prevailing rates appear in Minnesota and Nevada. In Minnesota 9.44 per cent is the average for the northwest corner of the State and 7.42 per cent for the southeastern district. In Nevada three districts have an average rate of 8 per cent, while one district, the eighth, has an average of 12 per cent. The reasons for sectional variations in interest rates are discussed in an earlier bulletin.[2]

For the country as a whole, the difference between average prevailing rates on short-time loans of $100 or more and petty loans is only twenty-five hundredths of 1 per cent. In general, this variation is largest in the South Central States where the credit needs of the small tenant farmers are a marked feature of the rural credit situation.

The districts which have been referred to in these paragraphs are indicated by number on the map, figure 2. By means of shading, this map also shows the approximate prevailing rate on personal and collateral loans of $100 or more in each such district.

[2] Department Bulletin 409, "Factors Affecting Interest Rates and Other Charges on Short-Time Farm Loans."

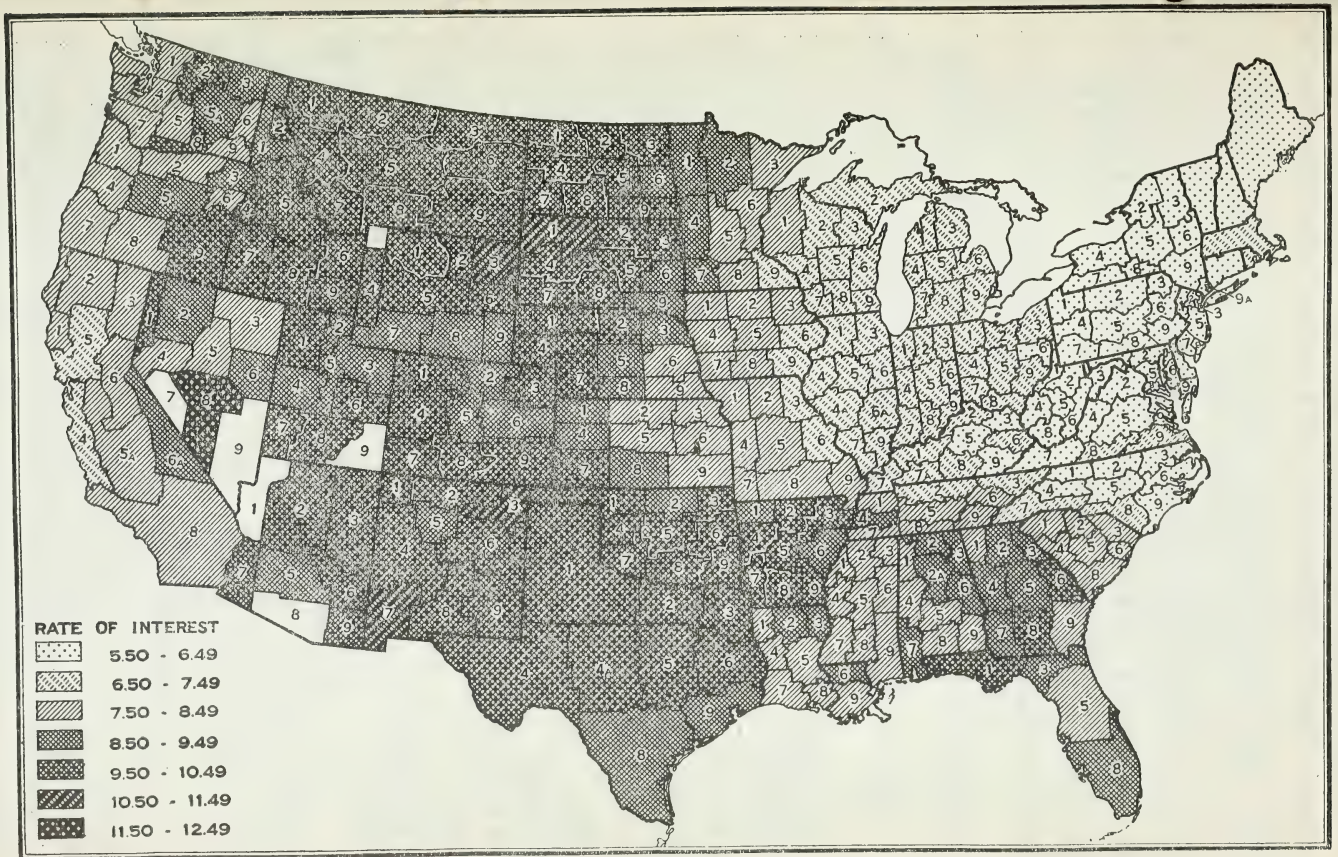


FIG. 2.—Crop estimates districts referred to in Table 2, and approximate prevailing interest rate on personal and collateral loans of $100 or more in each such district.

The range in the prevailing rates as reported in Table 3 is also of interest. For the United States, 35.2 per cent of the banks which replied to this question reported rates varying from 7.50 to 8.49 per cent. Rates of from 5.50 to 6.49 per cent, which are shown as prevalent for New England and Middle Atlantic, disappear almost entirely in the West South Central and Mountain States, where a rate of 9.50 per cent or more was charged by three-fourths of the banks. Rates exceeding 11.50 per cent were reported by nearly 9 per cent of the banks in Georgia, by 10 per cent of those in Nevada, and by 11 per cent of those in New Mexico.

TABLE 3.—*Prevailing rates of interest on personal and collateral loans to farmers: Per cent of banks reporting the various rates, March, 1921.*[1]

| Geographic division and State. | 5 per cent. | 6 per cent. | 7 per cent. | 8 per cent. | 9 per cent. | 10 per cent. | 11 per cent. | 12 per cent or over. |
|---|---|---|---|---|---|---|---|---|
| United States | 0.0 | 17.1 | 20.0 | 35.2 | 4.9 | 22.1 | 0.1 | 0.6 |
| New England | | 59.7 | 32.3 | 8.0 | | | | |
| Maine | | 71.4 | 23.8 | 4.8 | | | | |
| New Hampshire | | 100.0 | | | | | | |
| Vermont | | 96.8 | 3.2 | | | | | |
| Massachusetts | | 22.1 | 58.4 | 19.5 | | | | |
| Rhode Island | | | 100.0 | | | | | |
| Connecticut | | 69.8 | 27.9 | 2.3 | | | | |
| Middle Atlantic | .1 | 99.1 | .7 | | | .1 | | |
| New York | | 98.5 | 1.5 | | | | | |
| New Jersey | | 100.0 | | | | | | |
| Pennsylvania | .3 | 99.1 | .3 | | | .3 | | |
| East North Central | | 16.3 | 67.5 | 15.8 | .3 | .1 | | |
| Ohio | | 28.6 | 61.9 | 9.5 | | | | |
| Indiana | | 8.3 | 50.5 | 41.2 | | | | |
| Illinois | | 16.2 | 82.1 | 1.5 | | .2 | | |
| Michigan | | 8.6 | 84.5 | 4.9 | 1.6 | .4 | | |
| Wisconsin | | 17.7 | 58.9 | 23.1 | .3 | | | |
| West North Central | | 1.0 | 9.5 | 54.3 | 8.0 | 26.6 | .1 | .5 |
| Minnesota | | | 9.8 | 57.1 | 12.0 | 21.1 | | |
| Iowa | | 1.8 | 21.4 | 76.8 | | | | |
| Missouri | | 4.0 | 22.2 | 72.0 | 1.1 | .2 | | .5 |
| North Dakota | | | | 4.6 | 8.2 | 87.2 | | |
| South Dakota | | | | 18.8 | 12.6 | 63.2 | 1.2 | 4.2 |
| Nebraska | | | 1.6 | 43.8 | 19.2 | 35.1 | | .3 |
| Kansas | | .2 | 2.2 | 72.6 | 8.5 | 16.5 | | |
| South Atlantic | | 39.7 | 2.2 | 43.4 | 3.1 | 8.1 | .9 | 2.6 |
| Delaware | | 100.0 | | | | | | |
| Maryland | | 98.4 | 1.6 | | | | | |
| District of Columbia | | 50.0 | 50.0 | | | | | |
| Virginia | | 88.3 | 5.4 | 6.3 | | | | |
| West Virginia | | 96.4 | 1.8 | 1.8 | | | | |
| North Carolina | | 86.8 | 4.7 | 7.5 | | 1.0 | | |
| South Carolina | | | 2.3 | 93.6 | .6 | 2.9 | | .6 |
| Georgia | | | | 62.3 | 6.1 | 19.9 | 3.0 | 8.7 |
| Florida | | | | 54.0 | 20.0 | 26.0 | | |
| East South Central | | 17.0 | 6.7 | 64.0 | 3.3 | 8.0 | | 1.0 |
| Kentucky | | 51.1 | 21.4 | 25.2 | 1.5 | .8 | | |
| Tennessee | | 18.8 | 4.8 | 59.2 | 3.8 | 13.4 | | |
| Alabama | | | .7 | 77.1 | 5.7 | 13.6 | | 2.9 |
| Mississippi | | | 1.4 | 93.0 | 2.1 | 2.1 | | 1.4 |
| West South Central | | | .3 | 13.2 | 8.7 | 77.1 | .1 | .6 |
| Arkansas | | | | 9.8 | 9.8 | 80.4 | | |
| Louisiana | | | | 77.5 | 8.2 | 14.3 | | |
| Oklahoma | | | | 4.4 | 6.2 | 89.4 | | |
| Texas | | | .6 | 12.1 | 10.5 | 75.1 | .3 | 1.4 |

[1] Rates involving fractions of 1 per cent are approximated to the nearest unit.

TABLE 3.—*Prevailing rates of interest on personal and collateral loans to farmers: Per cent of banks reporting the various rates, March, 1921*—Continued.

| Geographic division and State. | 5 per cent. | 6 per cent. | 7 per cent. | 8 per cent. | 9 per cent. | 10 per cent. | 11 per cent. | 12 per cent or over. |
|---|---|---|---|---|---|---|---|---|
| Mountain | ..... | ..... | .2 | 14.1 | 10.0 | 73.7 | .3 | 1.7 |
| Montana | ..... | ..... | ..... | 3.4 | 2.8 | 93.8 | ..... | ..... |
| Idaho | ..... | ..... | ..... | 16.5 | 11.0 | 72.5 | ..... | ..... |
| Wyoming | ..... | ..... | ..... | 12.3 | 14.0 | 66.6 | 1.8 | 5.3 |
| Colorado | ..... | ..... | .7 | 20.9 | 13.7 | 64.0 | ..... | .7 |
| New Mexico | ..... | ..... | ..... | 2.9 | 2.9 | 79.9 | 2.9 | 11.4 |
| Arizona | ..... | ..... | ..... | 16.0 | 24.0 | 60.0 | ..... | ..... |
| Utah | ..... | ..... | ..... | 30.0 | 17.5 | 50.0 | ..... | 2.5 |
| Nevada | ..... | ..... | ..... | 60.0 | 10.0 | 20.0 | ..... | 10.0 |
| Pacific | ..... | .6 | 22.0 | 62.1 | 4.4 | 10.7 | ..... | .2 |
| Washington | ..... | ..... | 2.2 | 65.7 | 6.7 | 24.7 | ..... | .7 |
| Oregon | ..... | ..... | 6.5 | 74.2 | 4.8 | 14.5 | ..... | ..... |
| California | ..... | 1.1 | 38.0 | 55.2 | 3.2 | 2.5 | ..... | ..... |

## MINIMUM BALANCE REQUIREMENTS FOR BANK LOANS TO FARMERS ON PERSONAL AND COLLATERAL SECURITY.

As a rule, when a farmer obtains a loan at a bank he leaves the proceeds on deposit subject to withdrawal by check. This practice is entirely to his advantage as well as to that of the bank, so long as he can draw on the proceeds of the loan at his convenience. Some banks, however, require that a certain portion of the loan be kept permanently on deposit so long as the loan exists. This has the effect of making the loan actually extended smaller than the face of the note on which the interest charge is based. Six per cent of the banks reported a minimum balance requirement on 16.3 per cent of their loans. The purpose of such a requirement seems to be either the procuring of a higher rate of interest or the reduction of the risk involved by means of keeping a certain percentage of the loan in the control of the bank.

As an illustration of the effect which a balance requirement has on interest cost, let it be assumed that a farmer obtains a loan at 6 per cent on which 20 per cent of the proceeds are required to be kept at the bank. The actual interest cost would then be not 6 per cent but 7½ per cent. Similarly, a loan with the same minimum balance requirement at a rate of 8 per cent would cost the borrower 10 per cent. It seems probable that these practices have resulted from the mistake of establishing by law a maximum rate of interest which is lower than is justified by the available supply of capital in relation to demand. Under such circumstances, creditors are tempted to resort to evasions, the effects of which many debtors may not comprehend and which in many instances no doubt bring the actual cost above what it would be if the laws were so drawn as merely to prevent actual extortion without attempting to regulate the rate in a free and open market.

TABLE 4.—*Minimum balance requirements for bank loans to farmers on personal and collateral security.*

| Geographic division and State. | Number of banks reporting. | Percentage which required no minimum balance. | Percentage which required minimum balance. | Average per cent required by banks reporting such requirements. |
|---|---|---|---|---|
| United States | 9,629 | 94 | 6 | 16.3 |
| New England | 271 | 92 | 8 | 18.8 |
| Maine | 45 | 100 | ..... | ..... |
| New Hampshire | 33 | 100 | ..... | ..... |
| Vermont | 34 | 88 | 12 | 13.3 |
| Massachusetts | 97 | 89 | 11 | 19.5 |
| Rhode Island | 6 | 83 | 17 | 20.0 |
| Connecticut | 56 | 87 | 13 | 20.0 |
| Middle Atlantic | 746 | 94 | 6 | 15.0 |
| New York | 309 | 95 | 5 | 17.8 |
| New Jersey | 72 | 83 | 17 | 18.0 |
| Pennsylvania | 365 | 95 | 5 | 9.5 |
| East North Central | 2,039 | 97 | 3 | 15.6 |
| Ohio | 388 | 97 | 3 | 16.7 |
| Indiana | 399 | 98 | 2 | 20.0 |
| Illinois | 599 | 97 | 3 | 14.9 |
| Michigan | 260 | 98 | 2 | 12.0 |
| Wisconsin | 393 | 97 | 3 | 14.0 |
| West North Central | 3,081 | 96 | 4 | 16.0 |
| Minnesota | 466 | 97 | 3 | 16.2 |
| Iowa | 600 | 95 | 5 | 17.2 |
| Missouri | 471 | 95 | 5 | 15.8 |
| North Dakota | 373 | 98 | 2 | 12.8 |
| South Dakota | 265 | 94 | 6 | 13.4 |
| Nebraska | 394 | 95 | 5 | 16.3 |
| Kansas | 512 | 94 | 6 | 17.7 |
| South Atlantic | 850 | 88 | 12 | 17.3 |
| Delaware | 12 | 83 | 17 | 5.0 |
| Maryland | 65 | 83 | 17 | 11.3 |
| District of Columbia | 2 | 50 | 50 | 20.0 |
| Virginia | 118 | 84 | 16 | 16.1 |
| West Virginia | 63 | 95 | 5 | 10.0 |
| North Carolina | 107 | 85 | 15 | 19.6 |
| South Carolina | 182 | 90 | 10 | 13.0 |
| Georgia | 250 | 89 | 11 | 19.6 |
| Florida | 51 | 84 | 16 | 21.6 |
| East South Central | 637 | 93 | 7 | 17.4 |
| Kentucky | 140 | 98 | 2 | 15.0 |
| Tennessee | 205 | 93 | 7 | 18.6 |
| Alabama | 142 | 96 | 4 | 9.3 |
| Mississippi | 150 | 85 | 15 | 18.6 |
| West South Central | 837 | 93 | 7 | 19.0 |
| Arkansas | 120 | 95 | 5 | 21.7 |
| Louisiana | 51 | 84 | 16 | 14.0 |
| Oklahoma | 287 | 95 | 5 | 22.5 |
| Texas | 379 | 93 | 7 | 19.4 |
| Mountain | 593 | 93 | 7 | 14.9 |
| Montana | 180 | 95 | 5 | 15.0 |
| Idaho | 90 | 94 | 6 | 13.3 |
| Wyoming | 58 | 88 | 12 | 20.0 |
| Colorado | 156 | 94 | 6 | 14.6 |
| New Mexico | 36 | 92 | 8 | 10.0 |
| Arizona | 23 | 91 | 9 | 15.0 |
| Utah | 41 | 93 | 7 | 15.0 |
| Nevada | 9 | 100 | ..... | ..... |
| Pacific | 575 | 93 | 7 | 15.7 |
| Washington | 141 | 93 | 7 | 15.8 |
| Oregon | 124 | 99 | 1 | ..... |
| California | 310 | 91 | 9 | 15.7 |

TABLE 5.—*Collection of interest in advance on personal and collateral loans to farmers: Per cent of banks collecting in advance and per cent of their farm loans on which advance collection is made.*

| Geographic division and State. | Number of banks reporting. | Per cent of banks reporting— | | Per cent of farm loans on which advance collection was made (in case of banks reporting such collection). |
|---|---|---|---|---|
| | | No collection in advance. | Collection in advance. | |
| United States | 8,827 | 60 | 40 | 66.0 |
| New England | 225 | 29 | 71 | 82.4 |
| Maine | 38 | 29 | 71 | 65.8 |
| New Hampshire | 27 | 30 | 70 | 76.7 |
| Vermont | 30 | 33 | 67 | 70.6 |
| Massachusetts | 81 | 42 | 58 | 85.5 |
| Rhode Island | 5 | ..... | 100 | 99.0 |
| Connecticut | 44 | 7 | 93 | 95.7 |
| Middle Atlantic | 628 | 21 | 79 | 76.5 |
| New York | 267 | 38 | 62 | 60.1 |
| New Jersey | 59 | ..... | 100 | 90.7 |
| Pennsylvania | 302 | 10 | 90 | 82.9 |
| East North Central | 1,851 | 64 | 36 | 54.0 |
| Ohio | 361 | 59 | 41 | 59.6 |
| Indiana | 374 | 43 | 57 | 56.4 |
| Illinois | 519 | 69 | 31 | 60.2 |
| Michigan | 237 | 54 | 46 | 40.1 |
| Wisconsin | 360 | 90 | 10 | 27.1 |
| West North Central | 2,973 | 83 | 17 | 43.6 |
| Minnesota | 511 | 92 | 8 | 20.3 |
| Iowa | 566 | 96 | 4 | 11.9 |
| Missouri | 452 | 56 | 44 | 52.2 |
| North Dakota | 354 | 96 | 4 | 24.2 |
| South Dakota | 245 | 92 | 8 | 18.5 |
| Nebraska | 364 | 89 | 11 | 23.5 |
| Kansas | 481 | 62 | 38 | 51.1 |
| South Atlantic | 745 | 14 | 86 | 82.7 |
| Delaware | 11 | 18 | 82 | 87.8 |
| Maryland | 53 | 24 | 76 | 70.8 |
| District of Columbia | 2 | 50 | 50 | 10.0 |
| Virginia | 107 | 5 | 95 | 93.4 |
| West Virginia | 52 | 2 | 98 | 91.1 |
| North Carolina | 101 | ..... | 100 | 97.6 |
| South Carolina | 165 | 4 | 96 | 87.6 |
| Georgia | 215 | 34 | 66 | 58.4 |
| Florida | 39 | 10 | 90 | 83.3 |
| East South Central | 557 | 24 | 76 | 75.3 |
| Kentucky | 124 | 15 | 85 | 79.3 |
| Tennessee | 172 | 5 | 95 | 85.7 |
| Alabama | 129 | 28 | 72 | 68.1 |
| Mississippi | 132 | 52 | 48 | 52.0 |
| West South Central | 746 | 33 | 67 | 64.5 |
| Arkansas | 113 | 49 | 51 | 52.2 |
| Louisiana | 47 | 6 | 94 | 72.4 |
| Oklahoma | 258 | 32 | 68 | 58.8 |
| Texas | 328 | 33 | 67 | 70.8 |
| Mountain | 565 | 85 | 15 | 48.1 |
| Montana | 169 | 91 | 9 | 20.6 |
| Idaho | 84 | 87 | 13 | 30.8 |
| Wyoming | 57 | 98 | 2 | 2.0 |
| Colorado | 152 | 87 | 13 | 50.8 |
| New Mexico | 32 | 28 | 72 | 74.3 |
| Arizona | 24 | 67 | 33 | 58.5 |
| Utah | 38 | 79 | 21 | 35.7 |
| Nevada | 9 | 100 | ..... | 0.0 |
| Pacific | 537 | 89 | 11 | 44.5 |
| Washington | 134 | 81 | 19 | 54.1 |
| Oregon | 120 | 94 | 6 | 40.7 |
| California | 283 | 91 | 9 | 35.1 |

### INTEREST COLLECTIONS IN ADVANCE.

A second practice which has the effect of increasing interest cost is that of collecting the interest at the time the loan is made. As indicated in Table 5, 40 per cent of the banks follow this practice on 66 per cent of their loans to farmers on personal and collateral security. This would indicate that, taking the United States as a whole, interest is collected in advance on slightly more than one-fourth of all short-time bank loans to farmers. This practice, it may be noted, is most common in the eastern and southern sections of the country, and occurs only rarely in the central or western States. Thus in the States of Rhode Island, Connecticut, New Jersey, Pennsylvania, Virginia, West Virginia, North Carolina, South Carolina, Florida, Louisiana, and Tennessee, 90 per cent or more of the banks reporting collected interest in advance on a large majority of their loans. In Nevada, on the other hand, no bank reporting on the question followed this practice. In Wyoming, only 2 per cent reported collections in advance and on only 2 per cent of their loans. In each of the States of Iowa, Minnesota, North Dakota, South Dakota, Montana, Oregon, and California less than 10 per cent of the banks followed this practice on any part of their loans. The collection of 6 per cent interest in advance makes the rate on the credit actually obtained 6.4 per cent, while the collection of 8 per cent interest in advance makes the actual rate 8.7 per cent.

### NATURE OF SECURITY FOR FARMERS' PERSONAL AND COLLATERAL LOANS.

Table 6 discloses the marked prominence of purely personal security in rural short-time credit. For the country as a whole, 36 per cent of farmers' short-time loans from banks reporting on this subject had no security other than the written promise of the debtor to pay at the proper time. In Iowa 66.3 per cent of the personal and collateral loans were of this nature. In other States, loans secured by the indorsement of one or more persons are the prevailing type. In Rhode Island, 97.5 per cent of the personal and collateral loans were of this class, as were also two-thirds or more of the loans in Vermont, Connecticut, New Jersey, and Pennsylvania. Combining the figures of the first two columns, it will be observed that in the United States, 68 per cent of these loans were strictly personal or character loans. The lowest total occurs for Oklahoma, where 30 per cent of the loans rest on personal security only.

Considering the kind of collateral pledged, mortgages on live stock are of most importance, 18.3 per cent of the total personal and collateral loans to farmers in the United States being based on this form of security. In the West South Central and Mountain States mortgages on live stock are particularly common.

TABLE 6.—*Form of security given for personal and collateral bank loans to farmers.*

| Geographic division and State. | Total number of banks reporting. | Per cent of loans secured by— | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Note without indorsement. | Note with one or more indorsements. | Mortgage on live stock. | Crop lien. | Warehouse receipt. | Stocks and bonds. | Other ways. |
| United States | 7,590 | 36.0 | 32.0 | 18.3 | 6.2 | 1.4 | 4.2 | 1.9 |
| New England | 160 | 15.7 | 62.6 | 1.7 | ..... | .3 | 18.1 | 1.6 |
| Maine | 30 | 16.4 | 53.8 | 2.7 | ..... | ..... | 23.1 | 4.0 |
| New Hampshire | 22 | 8.6 | 64.9 | 1.8 | ..... | ..... | 22.1 | 2.6 |
| Vermont | 25 | 17.8 | 73.9 | 1.7 | ..... | ..... | 6.6 | ..... |
| Massachusetts | 50 | 21.5 | 55.7 | 2.1 | ..... | ..... | 19.3 | 1.4 |
| Rhode Island | 4 | ..... | 97.5 | ..... | ..... | ..... | 2.5 | ..... |
| Connecticut | 29 | 10.8 | 67.4 | .2 | ..... | 1.4 | 19.9 | .3 |
| Middle Atlantic | 519 | 19.8 | 67.6 | 1.0 | ..... | .2 | 9.1 | 2.3 |
| New York | 185 | 26.0 | 62.3 | 2.2 | ..... | .5 | 7.4 | 1.6 |
| New Jersey | 63 | 8.9 | 78.0 | .1 | ..... | .1 | 11.3 | 1.6 |
| Pennsylvania | 271 | 18.0 | 68.9 | .3 | ..... | .1 | 9.7 | 3.0 |
| East North Central | 1,498 | 46.8 | 43.9 | 3.3 | .3 | .1 | 4.7 | .9 |
| Ohio | 265 | 43.8 | 46.7 | 1.0 | .2 | ..... | 7.5 | .8 |
| Indiana | 321 | 28.8 | 62.1 | 1.8 | .2 | .1 | 6.2 | .8 |
| Illinois | 423 | 52.6 | 40.6 | 2.8 | .5 | .1 | 2.7 | .7 |
| Michigan | 197 | 48.5 | 41.0 | 5.6 | .5 | .1 | 3.5 | .8 |
| Wisconsin | 292 | 59.8 | 28.1 | 6.5 | .3 | .1 | 4.0 | 1.2 |
| West North Central | 2,713 | 47.6 | 17.3 | 25.0 | 5.7 | .6 | 1.8 | 2.0 |
| Minnesota | 450 | 51.8 | 14.2 | 25.0 | 4.1 | .3 | 2.3 | 2.3 |
| Iowa | 501 | 66.3 | 20.0 | 9.3 | 1.6 | .4 | 1.6 | .8 |
| Missouri | 412 | 46.3 | 34.7 | 13.0 | 2.0 | .2 | 2.7 | 1.1 |
| North Dakota | 336 | 26.8 | 8.9 | 43.2 | 12.4 | 2.5 | 1.7 | 4.5 |
| South Dakota | 233 | 34.6 | 8.6 | 46.0 | 6.0 | .5 | 2.1 | 2.2 |
| Nebraska | 345 | 49.2 | 16.6 | 24.6 | 6.4 | .1 | .8 | 2.3 |
| Kansas | 436 | 44.9 | 13.0 | 29.7 | 9.5 | .3 | 1.2 | 1.4 |
| South Atlantic | 644 | 11.4 | 57.6 | 9.2 | 7.3 | 5.8 | 5.8 | 2.9 |
| Delaware | 9 | 15.0 | 80.6 | 1.1 | ..... | ..... | 3.3 | ..... |
| Maryland | 51 | 15.0 | 73.5 | 1.3 | ..... | ..... | 9.0 | 1.2 |
| District of Columbia | 2 | 1.0 | 70.0 | ..... | ..... | ..... | 29.0 | ..... |
| Virginia | 87 | 6.5 | 83.1 | 2.0 | .1 | ..... | 7.7 | .6 |
| West Virginia | 30 | 9.8 | 75.9 | 1.6 | .1 | ..... | 9.5 | 3.1 |
| North Carolina | 77 | 10.5 | 68.6 | 1.7 | 5.2 | 2.1 | 7.5 | 4.4 |
| South Carolina | 154 | 9.1 | 41.0 | 13.6 | 20.2 | 9.7 | 4.8 | 1.6 |
| Georgia | 203 | 12.5 | 50.1 | 14.5 | 4.9 | 10.0 | 3.5 | 4.5 |
| Florida | 31 | 27.0 | 40.1 | 13.8 | 6.5 | 1.7 | 6.8 | 4.1 |
| East South Central | 458 | 15.9 | 45.9 | 14.1 | 10.4 | 4.0 | 6.4 | 3.3 |
| Kentucky | 90 | 22.5 | 63.6 | 1.6 | 1.1 | .1 | 9.0 | 2.1 |
| Tennessee | 152 | 18.1 | 67.2 | 5.0 | 1.5 | .8 | 5.8 | 1.6 |
| Alabama | 107 | 10.4 | 20.1 | 31.5 | 26.1 | 7.5 | 2.4 | 2.0 |
| Mississippi | 109 | 12.7 | 27.0 | 20.2 | 15.1 | 8.0 | 9.1 | 7.9 |
| West South Central | 719 | 18.5 | 20.9 | 38.6 | 17.7 | 1.5 | 1.7 | 1.1 |
| Arkansas | 101 | 12.1 | 37.9 | 22.7 | 19.9 | 3.0 | 2.2 | 2.2 |
| Louisiana | 40 | 15.5 | 52.7 | 12.4 | 5.2 | 2.7 | 9.0 | 2.5 |
| Oklahoma | 265 | 17.2 | 12.9 | 49.3 | 18.1 | .7 | 1.2 | .6 |
| Texas | 313 | 21.9 | 18.0 | 38.1 | 18.3 | 1.6 | 1.1 | 1.0 |
| Mountain | 489 | 27.9 | 12.2 | 39.6 | 12.1 | 1.4 | 3.5 | 3.3 |
| Montana | 151 | 22.9 | 6.7 | 44.9 | 17.1 | 1.8 | 1.8 | 4.8 |
| Idaho | 73 | 45.5 | 11.5 | 20.0 | 13.8 | 3.1 | 4.1 | 2.0 |
| Wyoming | 45 | 19.0 | 13.1 | 56.7 | 7.0 | .2 | 2.1 | 1.9 |
| Colorado | 134 | 28.9 | 13.3 | 42.5 | 9.5 | .1 | 2.8 | 2.9 |
| New Mexico | 32 | 22.1 | 16.2 | 50.7 | 8.0 | .8 | 1.6 | .6 |
| Arizona | 18 | 20.3 | 20.8 | 26.5 | 16.5 | 5.4 | 3.8 | 6.7 |
| Utah | 30 | 26.4 | 25.2 | 22.7 | 5.9 | .7 | 15.8 | 3.3 |
| Nevada | 6 | 47.3 | 17.2 | 16.0 | 6.7 | 1.7 | 7.8 | 3.3 |
| Pacific | 390 | 49.0 | 13.2 | 15.0 | 8.3 | 4.5 | 7.8 | 2.2 |
| Washington | 111 | 43.6 | 13.4 | 19.2 | 11.4 | 4.8 | 4.8 | 2.8 |
| Oregon | 90 | 53.8 | 13.4 | 16.8 | 5.9 | 4.0 | 3.3 | 2.8 |
| California | 189 | 50.0 | 13.1 | 11.8 | 7.5 | 4.5 | 11.6 | 1.5 |

Crop liens come next in importance, being relatively common all over the southern, central, and western part of the country, but practically unknown in States of the East. As the practice of crop insurance develops, crop liens will no doubt become more common as a form of security.

Considerable interest has been shown recently in an improved system of warehouse receipts. The fifth column of Table 6 indicates that although some loans are secured by this type of collateral, it as yet plays a minor part. As improved marketing systems are adopted for the various farm products, greater attention undoubtedly will be given to warehouse receipts. Their acceptability as security has been demonstrated particularly in certain southern States where warehouses are operated under the joint supervision of the State and Federal Governments.

The flotation and wide distribution of Government bonds during and after the war, which were bought by farmers largely on patriotic grounds, will no doubt explain the relatively large and uniform percentages of loans reported as secured by stocks and bonds. Unfortunately, the farmers as a class have not yet attained a position where they have an appreciable amount of earnings to place in investments outside of their own business.

## TERM OF LOAN.

One of the most frequent complaints heard with reference to bank loans to farmers is that the term is too short to meet the needs of the producers of agricultural products, particularly those producing live stock. Table 7 presents the average maximum term of personal and collateral loans to farmers as reported by 8,008 banks. For the United States as a whole, nearly one-half of the banks reported a maximum term of 6 months or less, and most of the remaining banks reported a term ranging from 9 months to a year. The shorter maximum term prevails to a larger extent in the East, but in the geographic divisions where agriculture is considered of chief importance the longer maximum term is more common.

Table 8 presents the average term of such loans. As might be expected, the average as well as the maximum term was reported in approximate periods only. For this reason, it was not possible to tabulate the replies in groups which are mutually exclusive. For the United States, the average term falls between 3 and 6 months. Practically one-fourth of the loans run for 6 months or more. In the Eastern States, more loans are made for a term of 3 months or less, than for 6 months or more, but in the central and western sections the reverse is true.

TABLE 7.—*Maximum term of personal and collateral loans to farmers: Per cent of banks reporting various maximum terms, March, 1921.*

| Geographic division and State. | Total number of banks reporting. | Demand. | One to thirty days. | One to three months. | Three to six months. | Six to nine months. | Nine to twelve months. | More than one year. |
|---|---|---|---|---|---|---|---|---|
| United States | 8,008 | 0.8 | 0.4 | 4.6 | 41.6 | 6.8 | 45.2 | 0.6 |
| New England | 146 | 17.8 | ..... | 6.2 | 61.6 | ..... | 14.4 | ..... |
| Maine | 30 | 16.7 | ..... | ..... | 76.6 | ..... | 6.7 | ..... |
| New Hampshire | 17 | 29.4 | ..... | ..... | 58.8 | ..... | 11.8 | ..... |
| Vermont | 26 | 30.8 | ..... | 3.8 | 50.0 | ..... | 15.4 | ..... |
| Massachusetts | 45 | 8.9 | ..... | 8.9 | 53.3 | ..... | 28.9 | ..... |
| Rhode Island | 3 | ..... | ..... | 33.3 | 66.7 | ..... | ..... | ..... |
| Connecticut | 25 | 16.0 | ..... | 12.0 | 72.0 | ..... | ..... | ..... |
| Middle Atlantic | 528 | 1.9 | .2 | 21.4 | 54.9 | 3.2 | 18.2 | .2 |
| New York | 201 | 1.5 | .5 | 18.4 | 58.7 | 5.5 | 15.4 | ..... |
| New Jersey | 60 | 1.7 | ..... | 28.2 | 55.0 | 6.7 | 6.7 | 1.7 |
| Pennsylvania | 267 | 2.2 | ..... | 22.1 | 52.1 | .7 | 22.9 | ..... |
| East North Central | 1,669 | .7 | .5 | 4.6 | 48.9 | 3.0 | 41.4 | .9 |
| Ohio | 302 | 2.3 | .7 | 4.3 | 57.6 | 2.3 | 32.8 | ..... |
| Indiana | 341 | ..... | 1.5 | 5.9 | 58.3 | 4.7 | 29.6 | ..... |
| Illinois | 482 | .2 | ..... | 4.1 | 42.8 | 2.3 | 50.4 | .2 |
| Michigan | 214 | ..... | ..... | 5.1 | 44.9 | 4.2 | 45.3 | .5 |
| Wisconsin | 330 | 1.0 | .3 | 3.9 | 42.7 | 2.4 | 45.8 | 3.9 |
| West North Central | 2,798 | .4 | .4 | 1.8 | 41.0 | 4.7 | 51.3 | .4 |
| Minnesota | 473 | .4 | .2 | 1.3 | 20.3 | 4.9 | 72.5 | .4 |
| Iowa | 542 | ..... | .4 | 1.7 | 38.2 | 3.5 | 56.2 | ..... |
| Missouri | 424 | .7 | .9 | 4.0 | 51.4 | 3.1 | 39.4 | .5 |
| North Dakota | 334 | .6 | ..... | ..... | 4.2 | 5.7 | 88.0 | 1.5 |
| South Dakota | 237 | ..... | ..... | .4 | 35.9 | 6.3 | 57.4 | ..... |
| Nebraska | 330 | .6 | .3 | 2.7 | 61.5 | 6.1 | 28.5 | .3 |
| Kansas | 458 | .2 | .4 | 2.2 | 71.0 | 4.8 | 21.4 | ..... |
| South Atlantic | 666 | ..... | .5 | 6.9 | 30.6 | 16.2 | 45.5 | .3 |
| Delaware | 7 | ..... | ..... | 28.6 | 42.8 | ..... | 28.6 | ..... |
| Maryland | 50 | ..... | ..... | 10.0 | 68.0 | 2.0 | 20.0 | ..... |
| District of Columbia | 2 | ..... | 50.0 | 50.0 | ..... | ..... | ..... | ..... |
| Virginia | 96 | ..... | ..... | 11.4 | 56.2 | 4.2 | 27.1 | 1.1 |
| West Virginia | 42 | ..... | ..... | 2.4 | 88.1 | ..... | 9.5 | ..... |
| North Carolina | 85 | ..... | 1.2 | 10.6 | 33.0 | 17.6 | 36.4 | 1.2 |
| South Carolina | 151 | ..... | .7 | 3.3 | 10.6 | 22.5 | 62.9 | ..... |
| Georgia | 196 | ..... | ..... | 2.1 | 11.2 | 27.0 | 59.7 | ..... |
| Florida | 37 | ..... | ..... | 21.6 | 27.0 | 2.7 | 48.7 | ..... |
| East South Central | 514 | ..... | .6 | 6.0 | 25.3 | 6.8 | 59.9 | 1.4 |
| Kentucky | 109 | ..... | .9 | 2.8 | 45.9 | .9 | 47.7 | 1.8 |
| Tennessee | 164 | ..... | ..... | 13.4 | 37.2 | 4.3 | 43.9 | 1.2 |
| Alabama | 121 | ..... | .8 | 2.5 | 7.4 | 11.6 | 76.9 | .8 |
| Mississippi | 120 | ..... | .8 | 2.5 | 8.3 | 10.8 | 75.9 | 1.7 |
| West South Central | 724 | .1 | .6 | 2.1 | 25.4 | 18.6 | 53.1 | .1 |
| Arkansas | 99 | ..... | ..... | 3.0 | 14.1 | 21.2 | 61.7 | ..... |
| Louisiana | 42 | ..... | ..... | 4.8 | 11.9 | 19.0 | 61.9 | 2.4 |
| Oklahoma | 271 | ..... | 1.1 | 1.5 | 29.2 | 15.9 | 52.3 | ..... |
| Texas | 312 | .3 | .3 | 1.9 | 27.6 | 20.2 | 49.7 | ..... |
| Mountain | 536 | .2 | .4 | 2.1 | 48.7 | 6.7 | 41.3 | .6 |
| Montana | 161 | ..... | .6 | .6 | 25.5 | 6.2 | 67.1 | ..... |
| Idaho | 83 | ..... | 1.2 | 2.4 | 41.0 | 10.8 | 44.6 | ..... |
| Wyoming | 54 | ..... | ..... | ..... | 61.1 | 5.6 | 29.6 | 3.7 |
| Colorado | 146 | ..... | ..... | 2.7 | 66.5 | 8.2 | 21.9 | .7 |
| New Mexico | 29 | ..... | ..... | 3.4 | 65.5 | ..... | 31.1 | ..... |
| Arizona | 23 | ..... | ..... | 8.7 | 60.9 | 4.3 | 26.1 | ..... |
| Utah | 34 | 2.9 | ..... | 2.9 | 61.8 | 2.9 | 29.5 | ..... |
| Nevada | 6 | ..... | ..... | ..... | 33.3 | ..... | 66.7 | ..... |
| Pacific | 427 | .9 | ..... | 4.0 | 49.4 | 7.5 | 36.8 | 1.4 |
| Washington | 117 | ..... | ..... | 6.8 | 41.0 | 7.7 | 44.5 | ..... |
| Oregon | 105 | 1.9 | ..... | .9 | 58.1 | 4.8 | 34.3 | ..... |
| California | 205 | 1.0 | ..... | 3.9 | 49.8 | 8.8 | 33.6 | 2.9 |

TABLE 8.—*Average term of personal and collateral loans to farmers: Per cent of banks reporting various average terms, March, 1921.*

| Geographic division and State. | Total number of banks reporting. | Demand. | One to thirty days. | One to three months. | Three to six months. | Six to nine months. | Nine to twelve months. | More than one year. |
|---|---|---|---|---|---|---|---|---|
| United States | 7,627 | 0.1 | ..... | 17.3 | 58.6 | 15.4 | 7.8 | 0.8 |
| New England | 109 | .9 | ..... | 33.1 | 56.0 | 1.8 | 7.3 | .9 |
| Maine | 20 | ..... | ..... | ..... | 90.0 | 5.0 | 5.0 | ..... |
| New Hampshire | 13 | 7.7 | ..... | 23.1 | 69.2 | ..... | ..... | ..... |
| Vermont | 17 | ..... | ..... | 52.9 | 41.2 | ..... | 5.9 | ..... |
| Massachusetts | 34 | ..... | ..... | 41.2 | 38.3 | ..... | 17.6 | 2.9 |
| Rhode Island | 4 | ..... | ..... | 50.0 | 25.0 | 25.0 | ..... | ..... |
| Connecticut | 21 | ..... | ..... | 38.1 | 61.9 | ..... | ..... | ..... |
| Middle Atlantic | 492 | .8 | ..... | 51.2 | 37.6 | 3.9 | 5.1 | 1.4 |
| New York | 195 | .5 | ..... | 48.7 | 42.6 | 4.6 | 2.6 | 1.0 |
| New Jersey | 55 | 3.6 | ..... | 58.2 | 30.9 | ..... | 7.3 | ..... |
| Pennsylvania | 242 | .4 | ..... | 51.7 | 35.1 | 4.1 | 6.6 | 2.1 |
| East North Central | 1,589 | .1 | ..... | 20.6 | 67.2 | 6.9 | 4.5 | .7 |
| Ohio | 270 | .7 | ..... | 21.9 | 67.8 | 4.1 | 4.4 | 1.1 |
| Indiana | 336 | ..... | ..... | 28.0 | 64.8 | 4.5 | 2.7 | ..... |
| Illinois | 461 | ..... | ..... | 16.3 | 72.4 | 6.5 | 4.6 | .2 |
| Michigan | 204 | ..... | ..... | 26.9 | 60.3 | 7.4 | 3.9 | 1.5 |
| Wisconsin | 318 | ..... | ..... | 14.2 | 65.7 | 12.3 | 6.6 | 1.2 |
| West North Central | 2,700 | ..... | .1 | 12.4 | 63.0 | 14.7 | 9.2 | .6 |
| Minnesota | 463 | ..... | ..... | 3.7 | 59.8 | 22.5 | 14.0 | ..... |
| Iowa | 525 | ..... | .2 | 9.7 | 72.0 | 13.7 | 4.0 | .4 |
| Missouri | 414 | ..... | ..... | 18.6 | 70.1 | 5.3 | 5.8 | .2 |
| North Dakota | 312 | ..... | ..... | 1.0 | 22.1 | 40.0 | 35.6 | 1.3 |
| South Dakota | 232 | ..... | ..... | 10.4 | 62.5 | 19.8 | 5.6 | 1.7 |
| Nebraska | 314 | ..... | ..... | 17.2 | 75.8 | 2.9 | 2.5 | 1.6 |
| Kansas | 440 | ..... | .2 | 25.0 | 68.9 | 4.1 | 1.6 | .2 |
| South Atlantic | 628 | ..... | ..... | 17.5 | 49.5 | 25.7 | 5.9 | 1.4 |
| Delaware | 8 | ..... | ..... | 50.0 | 25.0 | 12.5 | 12.5 | ..... |
| Maryland | 44 | ..... | ..... | 15.9 | 72.7 | 4.6 | ..... | 6.8 |
| District of Columbia | 2 | ..... | ..... | 50.0 | ..... | ..... | 50.0 | ..... |
| Virginia | 86 | ..... | ..... | 40.7 | 48.8 | 7.0 | 2.3 | 1.2 |
| West Virginia | 41 | ..... | ..... | 7.3 | 65.9 | 2.4 | 12.2 | 12.2 |
| North Carolina | 82 | ..... | ..... | 28.0 | 53.7 | 15.9 | 2.4 | ..... |
| South Carolina | 152 | ..... | ..... | 12.5 | 40.1 | 40.8 | 6.6 | ..... |
| Georgia | 179 | ..... | ..... | 3.9 | 50.3 | 38.5 | 7.3 | ..... |
| Florida | 34 | ..... | ..... | 32.4 | 38.2 | 20.6 | 8.8 | ..... |
| East South Central | 474 | ..... | ..... | 13.3 | 44.3 | 25.7 | 15.6 | 1.1 |
| Kentucky | 96 | ..... | ..... | 5.2 | 75.0 | 11.5 | 5.2 | 3.1 |
| Tennessee | 151 | ..... | ..... | 28.5 | 45.0 | 14.6 | 11.9 | ..... |
| Alabama | 118 | ..... | ..... | 4.2 | 30.5 | 39.9 | 25.4 | ..... |
| Mississippi | 109 | ..... | ..... | 9.2 | 31.2 | 38.5 | 19.3 | 1.8 |
| West South Central | 716 | ..... | .1 | 9.2 | 48.2 | 34.7 | 7.7 | .1 |
| Arkansas | 98 | ..... | ..... | 7.2 | 36.7 | 45.9 | 10.2 | ..... |
| Louisiana | 43 | ..... | ..... | 9.3 | 37.2 | 37.2 | 16.3 | ..... |
| Oklahoma | 260 | ..... | .4 | 11.6 | 49.6 | 31.9 | 6.5 | ..... |
| Texas | 315 | ..... | ..... | 7.9 | 52.1 | 33.0 | 6.7 | .3 |
| Mountain | 509 | ..... | ..... | 11.4 | 64.4 | 14.0 | 9.2 | 1.0 |
| Montana | 157 | ..... | ..... | 1.3 | 54.1 | 29.3 | 13.4 | 1.9 |
| Idaho | 78 | ..... | ..... | 12.8 | 70.5 | 11.6 | 5.1 | ..... |
| Wyoming | 51 | ..... | ..... | 3.9 | 78.4 | 5.9 | 11.8 | ..... |
| Colorado | 139 | ..... | ..... | 19.4 | 68.4 | 4.3 | 6.5 | 1.4 |
| New Mexico | 31 | ..... | ..... | 12.9 | 67.8 | 3.2 | 16.1 | ..... |
| Arizona | 18 | ..... | ..... | 33.3 | 44.5 | 11.1 | 11.1 | ..... |
| Utah | 30 | ..... | ..... | 20.0 | 66.7 | 13.3 | ..... | ..... |
| Nevada | 5 | ..... | ..... | 20.0 | 80.0 | ..... | ..... | ..... |
| Pacific | 410 | .5 | ..... | 17.5 | 63.9 | 10.0 | 6.6 | 1.5 |
| Washington | 108 | ..... | ..... | 21.3 | 59.3 | 14.8 | 3.7 | .9 |
| Oregon | 98 | ..... | ..... | 16.3 | 69.4 | 9.2 | 5.1 | ..... |
| California | 204 | 1.0 | ..... | 16.2 | 63.7 | 7.8 | 8.8 | 2.5 |

## CONCLUSION.

For short-time or personal credit, the farmers rely mainly on commercial banks, estimated loans from this source amounting at the close of 1920 to nearly $3,870,000,000. Data are not at hand for a satisfactory estimate of farmers' personal credit from general stores, implement dealers, and kindred sources which are relied upon for a considerable amount of credit, particularly in certain sections of the country. Bank credit has been unusually costly to the farmer during the past year and a half, but there is no doubt that merchant credit has been even more so. The interest charges of the merchant are almost invariably higher than those of the banks in the same locality and, in addition, a higher price is frequently placed on goods sold to a credit purchaser.

It would be better for all concerned if all credit were sought and obtained from specialized credit agencies and purchases made for cash. The truly progressive and constructive rural banker makes every effort to acquaint himself with the legitimate credit need of the farmers in his community and to supply this need to the extent of his ability. Similarly the progressive and constructive merchant frankly points out the advantages of purchases with cash instead of on credit. The farsighted and progressive farmer in his turn aims to establish definite banking connections, is thoroughly frank with the banker as well as with the merchant, and prompt and businesslike in his dealings with both. Small farmers and tenants particularly, who have hitherto been without banking connections and who have little security to offer, can materially improve their credit status by pooling their security and consolidating their credit demands by means of local credit associations or credit unions.[3] The organization of such associations should be facilitated by the enactment of suitable State laws where such laws do not not already exist.

As indicated on preceding pages, the rate nominally charged by banks is not in all cases the actual rate. In some States, the practice of requiring a minimum balance from the proceeds of a loan to be maintained at the bank, as well as that of collecting interest in advance, materially increases the rate on the amount actually made available to the borrower. Such subterfuges are believed to be contrary to the public interest, and where they are the result of unwise legal regulation of rates such regulations should be properly modified.

The rate of interest, so far as the legitimate credit market is concerned, can be lowered only by establishing a new relationship between the supply of capital and the demand for it. This can be accomplished only by thrift and saving. The wise farmer borrows not

[3] See Department Circular 197, "The Credit Association as An Agency For Short-Time Rural Credit."

merely for the purpose of making a crop, but to give him a start in efficient production so as to enable him to acquire a working capital of his own. When he has accumulated all the capital he himself can profitably use, he continues to save a part of his income and at a reasonable profit to himself assists in supplying those less advanced than himself with the capital that they need. It is only where a spirit of energy and thrift prevails in a community, whether agricultural or industrial, that real progress in prosperity and well-being is made—a prosperity that is shared by all whether they are engaged in a profession, in trade, or in agriculture.

One of the greatest defects of bank loans to farmers under existing conditions is that credit is not available for such a length of time as is frequently needed by the farmer to mature his products and to market them in an orderly manner. For the production and marketing of crops, loans for a term of from 8 to 12 months are frequently needed, and the producer of live stock, as contrasted with the feeder or finisher of such stock, often needs credit for a period of from 1 to 3 years. To obtain a loan under existing conditions, farmers not infrequently are obliged to agree to repay the same at a time prior to that at which they have any expectation of being able to meet it, and to rely on the hope of being able to renew the loan when it falls due. Such a state of affairs is discouraging at the best, and often leads to serious results for the borrower. At present, as shown by Table 7, the maximum term with nearly half the banks is 6 months or less, and only in the case of a very small percentage of the banks are loans made for a year or more. Some means must be found for providing the crop and live-stock producer with credit running for such term as the nature of their business demands.

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